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Broken Bonds: The Role Wall Street Played in Wiping Out Puerto Ricans' Savings.

When residents of Puerto Rico funneled their life savings into funds that were largely made up of the island's bonds, they were told their money would be safe.

They were told that they would receive interest payments that were higher than many comparable opportunities. They were told income would be tax exempt.

And when those investments began to evaporate four years ago, they were told not to sell, that the market would rebound, and they would recoup their losses — eventually.

This year, eventually became never after Puerto Rico triggered bankruptcy-like proceedings, and the island began restructuring its debt to seek protection from creditors — pushing the already depreciated bond prices within the funds lower. Then came Hurricane Maria, and those prices plummeted even further.

Continue reading.

CNBC

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