

# **Bond Case Briefs**

*Municipal Finance Law Since 1971*

---

## **NFMA Responds to First Circuit Puerto Rico Opinion on Special Revenues.**

The NFMA is disappointed that the U.S. Appeals Court affirmed U.S. District Court Judge Swain's decision allowing for Puerto Rico's Highway and Transportation Authority to withhold bond payments backed from pledged tolls and other revenues during bankruptcy. As we stated in the amicus brief that we filed on May 16, 2018 (click here for [Amicus Brief](#)), revenue bonds are a critical source of financing for infrastructure projects and it has been an underlying premise and expectation of the municipal market that timely payment of debt service on special revenue bonds would be honored in all circumstances, including Chapter 9 bankruptcy. Judge Swain's Assured Guaranty decision, and the recent affirmation by the Appeals Court, is at odds with prior court decisions and legislative history and is likely to result in negative market implications for revenue bonds throughout the municipal market.

Copyright © 2024 Bond Case Briefs | [bondcasebriefs.com](http://bondcasebriefs.com)