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Will Investors And Insurers Sink Or Save Florida?

New research shows that some 150 million people across the globe are now living on land that will be below the high-tide line by 2050.

That far-off date, huge number and uncertain location are probably too abstract and distant to matter to most, but here's another way to look at it: You, friends or loved ones might already be living too close to the rising high-tide line in Florida. What's more, the fate of Florida's citizens, homes, towns, businesses and overall economy depend on decisions being made right now on 30-year mortgages and bonds that will be critically impaired by that 2050 high-tide line.

Once investors and insurers decide that the value of too many 30-year mortgages face an unacceptable level of risk, many mortgages (including yours?) will go underwater or even be thrown into default. Even worse for the rest of Florida, financing for new long-term mortgages, utility debt offerings, and municipal bonds for schools, roads, bridges, sewers, etc., will dry up. That in turn will deflate real estate values overall and crush the backbone of the Florida economy—and send Florida into a deep and costly tailspin.

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