# Bond Case Briefs

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## Morning Zoo Radio and Cash Flow Relief for Issuers: Part 2 - Squire Patton Boggs

In Part 1, we introduced the cash flow relief technique/staple of your morning commute known as "Scoop and Chuck." In particular, we discussed an issuer that will issue new bonds and use the proceeds to pay interest (but no principal) on a prior issue of bonds. The new bonds will have a debt service schedule that is pushed out later in time compared to the debt service schedule on the prior bonds. This enables the issuer to keep some of the revenues that it otherwise would have used to pay debt service on the prior bonds. In Part 2, below, we'll add more facts and try to provide some answers.

We left our last post with you heading to the local mattress store to check in with a radio sidekick. More to the point, we left you with Reg. 1.150-1(d)(2)(i), which provides a way for us to avoid treating our scoop and chuck issue as a refunding issue, meaning that it can't be an advance refunding issue, meaning that we could use proceeds of our scoop and chuck issue to pay interest that accrues more than 90 days (but within 1 year) of the issue date of our scoop and chuck bonds.

Continue reading.

**Squire Patton Boggs**

By Johnny Hutchinson on August 24, 2020