

# **Bond Case Briefs**

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## **Texas Student Housing Authority Files for Bankruptcy.**

- **Filing listed between \$10 million and \$50 million liabilities**
- **Properties feature resort-style pools, fitness centers**

Texas Student Housing Authority filed for Chapter 9 bankruptcy protection, listing between \$10 million and \$50 million of liabilities.

The non-profit, state chartered corporation had assets of \$1 million to \$10 million, and as many as 199 creditors, according to a June 18 filing in U.S. Bankruptcy Court for the Northern District of Texas.

The Southlake, Texas-based organization was established in 1995 to purchase and manage student housing facilities located near the campuses of major colleges and universities, according to its website. It owns housing properties near the University of North Texas in Denton and Texas A&M University in College Station. Both projects offer premium facilities, equipped with resort-style swimming pools and fitness centers.

“Both schools have had troubled muni-financed private student housing projects for years,” said Matt Fabian, a partner at Municipal Market Analytics. “So while the pandemic has made student housing financial conditions more challenging generally, that’s not the whole story when it comes to these schools.”

Across the U.S., bondholders are betting on the resurrection of American campus life after a year of declining enrollment, online classes and vacant quads. Student housing bonds, which came under pressure during the pandemic, are now traded with “substantially more optimism,” Fabian said. “The sector has lingering issues, but we shouldn’t overstate the risks via this new bankruptcy.”

In April, the board of the Texas Student Housing Authority met to consider Chapter 9 bankruptcy proceedings for “The Cambridge,” its property in College Station. The organization didn’t respond to a request for comment on Saturday.

The purpose of Chapter 9 is to provide protections for financially-distressed municipalities from their creditors so they can develop and negotiate a plan for adjusting debt, according to the U.S. Courts website.

### **Bloomberg Markets**

By Yueqi Yang and James Ludden

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