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Puerto Rico Bankruptcy Judge Orders Monday Call on Debt Plan.

- **Judge Swain seeks status of debt plan after bond bill stalls**
- **Legislation is needed to restructure debt and leave bankruptcy**

The judge overseeing Puerto Rico's record bankruptcy ordered Governor Pedro Pierluisi, the island's political leaders and its financial oversight board to participate in a conference call Monday after lawmakers failed to enact legislation to restructure the commonwealth's debt.

Confirmation hearings set for November on the oversight board's debt restructuring plan will remain in place pending completion of the call, U.S. District Court Judge Laura Taylor Swain said in her order Friday.

The purpose of the conference is for the parties to explain the status of the debt restructuring plan "and any alternative measures in light of the absence of the contemplated legislation," Swain wrote.

The oversight board on Thursday said it would ask the court to delay the planned November hearings if island lawmakers failed to enact a bond bill by 2 p.m. ET on Friday that authorizes the commonwealth to sell new restructuring bonds. The legislation is a key step in getting Puerto Rico closer to exiting its more than four-year bankruptcy.

The commonwealth's debt adjustment plan seeks to resolve \$33 billion of bonds and other debt. It's the largest bankruptcy in the municipal bond market and already has been delayed by natural disasters and the coronavirus pandemic.

Puerto Rico's Senate on Thursday failed to round up the necessary 14 votes to pass the bond bill after the House of Representatives approved the measure on Tuesday. Pierluisi supports the legislation.

Swain's order included the participation of Senate President Jose Dalmau and Rafael 'Tatito' Hernandez, Speaker of the House of Representatives.

The Senate's lack of votes for the bond bill prompted a comment on the issue Friday from Popular Inc., the island's biggest bank by both assets and deposits.

"Failure to approve legislation to enable the debt adjustment plan could jeopardize the ongoing economic recovery of Puerto Rico," Ignacio Alvarez, Popular's president and chief executive officer, said in a statement Friday. "While not perfect, we believe approving the plan is in the best interest of Puerto Rico."

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By Michelle Kaske and Jim Wyss

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