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Puerto Rico's Bankruptcy: Where Do Things Stand Today?

In 2016, Congress passed the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA), which created the Puerto Rico Financial Oversight and Management Board to restructure the Commonwealth's unsustainable burden of more than \$72 billion in debt and more than \$55 billion in unfunded pension liabilities. The board oversaw a bankruptcy process that culminated in March 2022, when a federal court confirmed a plan that reduced Puerto Rico's debt by 80%. Still, the work of putting the Commonwealth on a sustainable fiscal path remains incomplete. At our annual Municipal Finance Conference in July 2022, four experts weighed in on the effects of PROMESA and the challenges that remain: Natalie Jaresko, former executive director of the oversight board; Sergio Marxuach, policy director at the Center for a New Economy; David Skeel, chairman of the oversight board and professor of corporate law at the University of Pennsylvania Carey Law School; and John Ceffalio, senior research analyst for Municipals at CreditSights. The panel was moderated by Michelle Kaske of Bloomberg.

You can watch a video of the panel [here](#). Here are a few highlights.

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The Brookings Institution

by Lora Stojanovic and David Wessel

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