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A Small Catholic College's Closure Hints at More to Come.

- **Holy Names University defaults on debts amid economic strain**
- **More distress coming for higher-ed in 2023, analysts say**

Economic strains that have pushed a number of colleges and universities to the brink show no signs of stopping, with Holy Names University in Oakland, California, the first to default on its debt in 2023.

The Roman Catholic school with fewer than 1,000 students defaulted on a \$49 million loan, according to a Jan. 3 filing, after the almost 155-year-old institution announced it would be closing its doors at the end of the academic year.

The closure is likely a harbinger of what's to come as S&P Global Ratings has warned less selective, regional institutions will struggle in the new year. Growing competition, falling enrollment trends and higher expenses could weaken credit quality. At the same time, waning risk appetite ahead of a looming recession means struggling schools' access to the \$4 trillion municipal-bond market could be limited.

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Bloomberg Markets

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January 24, 2023