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Puerto Rico Electric Power Bonds Fall on Proposed Debt Deal.

- **Slump comes as some investors reach deal with utility**
- **Proposal would give some investors 12.5 cents on the dollar**

Some municipal bonds sold by Puerto Rico's bankrupt power utility have plunged after a group of investors reached a restructuring deal that would significantly slash the agency's debt load.
A security sold by the Puerto Rico Electric Power Authority, also known as Prepa, due in 2042 changed hands at an average price of 24.25 cents on the dollar between two trades on Monday, down from above 70 cents as recently as May, according to data compiled by Bloomberg.

The deal between creditors including BlackRock Financial Management and Nuveen Asset Management and the island's federally appointed financial oversight board, which is managing Prepa's bankruptcy, would reduce combined claims of $10 billion down to about $2.5 billion of new bonds. The deal would give bondholders who sign the agreement 12.5 cents on the dollar on what they were owed when Prepa entered bankruptcy in July 2017, and 3.5 cents for investors who decline to join the restructuring plan.

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