

[Bond Case Briefs](#)

Municipal Finance Law Since 1971

[Alabama Hospital Defaults on Municipal Debt as Expenses Soar.](#)

- **Jackson Hospital & Clinic faced demands for repayment**
- **Montgomery, Alabama non-profit hospital has 344 beds**

A 344-bed hospital in Alabama's capital, Montgomery, defaulted on \$60 million of municipal bonds, failing to meet a bondholder trustee's demand for immediate repayment of the debt.

The non-profit Jackson Hospital & Clinic, squeezed by high labor costs and inflation, didn't make an interest payment that was due to be paid on Sept. 3, according to a [filing](#). Last month, UMB NA, the bond trustee, demanded full payment of all principal and interest, saying the hospital had breached the terms of bond documents by failing to make rent and lease payments for five months.

Pat Mathews, Jackson's interim chief financial officer, didn't respond to a request for comment. Jackson bonds with a 4% coupon, maturing in 2036 last traded at about 53 cents on the dollar on Aug. 27.

[Continue reading.](#)

Bloomberg Markets

By Martin Z Braun

September 4, 2024

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com