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NJ Bonds for American Dream Megamall Miss February Payment.

- **Debt makes up a quarter of $1.1b muni bonds issued for complex**
- **Securities traded in September at 90 cents on the dollar**

Municipal bonds issued to finance the American Dream megamall didn’t make their February interest payment, according to a securities filing.

The bonds that missed the payment are tied to sales tax collections at the $5 billion shopping and entertainment complex and backed by New Jersey economic development grants. The bonds account for about $287 million of the roughly $1.1 billion of municipal debt issued to finance the project.

Last August, after months of delay, bondholders received a $26 million distribution of grant revenue from the state to pay a portion of the $46 million of interest on the debt that was past due. Under the terms of the grant agreement, payments are only made once in a 12 month period, the filing said. The payments are subject to appropriation by the state legislature.

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