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Harvard, MIT Lead Elite Colleges' $4 Billion Debt Spree After Trump Threat.

Elite American universities have taken on more than $4 billion in additional debt since March that will help protect their finances as the Trump administration takes aim at their budgets.

Harvard University, the face of the fight, has boosted its debt load 16% after a bond sale in April. The Massachusetts Institute of Technology just ramped up its liabilities 18% to $5.2 billion. Top-tier schools have sold taxable bonds, taken out private loans, and increased capacity for commercial paper, according to data compiled by Bloomberg.

Colleges are using a recession-style playbook to respond to the Trump administration's large-scale funding freezes and proposed research spending cuts. House Republicans also hiked the endowment tax in a bill that now moves to the Senate. And the fight is ramping up with the US ordering its embassies worldwide to stop scheduling interviews for student visas as it weighs stricter vetting of applicants' social-media profiles.

Continue reading.

Bloomberg Markets

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