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Florida’s Brightline Defers Interest Payment on $1.2 Billion Muni Bonds.

Takeaways

- Brightline Trains Florida plans to defer a July 15 interest payment on its 10% and 12% unrated tax-exempt bonds, according to people familiar with the matter.
- The unpaid portion will continue to accrue at the coupon rate in addition to an extra 2% until interest is paid, according to the bond documents.
- Brightline intends to make the deferred interest payment with operating cash flow or proceeds from equity and debt financings that it is actively pursuing, according to a statement from Ashley Blasewitz, a spokesperson for Brightline.

Brightline Trains Florida, the Fortress Investment Group-backed passenger railroad, plans to defer a July 15 interest payment on its 10% and 12% unrated tax-exempt bonds, according to people familiar with the matter.

Brightline notified holders of the delay through the Depository Trust Company, said the people who asked not to be identified because they’re not authorized to speak publicly. The incident is not considered an event of default, according to bond documents. A default only occurs if the railroad misses three consecutive interest payments, the documents state.

Continue reading.

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By Martin Z Braun, Reshmi Basu, and Eliza Ronalds-Hannon

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