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[Private-Credit Worry Sparks Slide in Booming Part of Muni Market: Bloomberg](#)

Takeaways by Bloomberg AI

- The concerns building in the private-credit industry are starting to inflict pain in a rapidly growing segment of the US municipal debt market, specifically prepaid energy bonds.
- Investors have demanded extra yield on deals involving Athene Annuity and Life Co., suggesting they're worried the insurer won't be able to keep up its end of the bargain if it starts to face losses on its private-credit investments.
- The weakening in the Athene-linked debt highlights the risks within a part of the muni market that's seen record-breaking annual issuance since 2022, and now tallies more than \$100 billion in outstanding debt.

The concerns building in the private-credit industry are starting to inflict pain in a rapidly growing segment of the US municipal debt market.

The anxiety around private credit, where firms have faced high-profile blowups and redemption requests, has roiled select munis in a sector known as prepaid energy bonds. These securities allow municipal utilities to buy electricity or natural gas at a discount by locking in decades of supply upfront — savings they can pass on to customers.

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Bloomberg Markets

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