

## Bondholders Encounter Unexpected Turbulence

November 1, 2013 | Articles & Books

Bond indentures and credit agreements often contain “make-whole” provisions, which require issuers and borrowers to pay premiums if they redeem bonds or prepay loans before maturity. These make-whole premiums are intended to compensate for, among other things, the loss of the bargained-for rate of return.

### Related materials

[Bondholders.Encounter.Unexpected.Turbulence.pdf](#)