



COMMONWEALTH OF  
PUERTO RICO

Government Development Bank  
for Puerto Rico

# PRESS RELEASE

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## GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO COMMENTS ON ENACTMENT OF ACT NO. 29 OF 2015

### *Enables Administration to Continue to Strengthen Commonwealth's Fiscal Position*

San Juan, P.R. – The Government Development Bank for Puerto Rico (“GDB”) commented on the enactment of Act Num. 29 of 2015, which was signed by Governor Alejandro Garcia Padilla on March 13<sup>th</sup>. The Law, which amends Act Num. 1 of 2015, facilitates the issuance by the Puerto Rico Infrastructure Financing Authority (“PRIFA”) of up to \$2.95 billion in petroleum tax-backed bonds in order to repay outstanding loans to the GDB, which would strengthen the GDB’s liquidity position and promote the Puerto Rico Highways and Transportation Authority’s self-sufficiency. Importantly, the amendments provide for annual adjustments to the petroleum product tax based on certain target levels of revenues as a means to ensure sufficient revenues to service the PRIFA bonds, strengthening its credit profile. Limits on original issue discount were also eliminated.

GDB President Melba Acosta Febo said: “We are pleased that the legislature, after robust public debate and deliberation, enacted a law that facilitates PRIFA’s access to market. These amendments allow the Administration to continue executing on its plan of strengthening the Commonwealth’s and GDB’s fiscal position, while providing meaningful safeguards to potential investors in PRIFA bonds.”

PRIFA has retained Barclays Capital as lead underwriter for a potential bond issuance. PRIFA is expected to access the bond markets as market conditions allow.

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