

(H. B. 1320)

(No. 9)

(Approved March 9, 2009)

AN ACT

To create the Puerto Rican Economic Stimulus Plan [Sp.: *Plan de Estímulo Económico Criollo*], in order to stimulate the economy of Puerto Rico by granting a bonus to pensioners of the Government of the Commonwealth of Puerto Rico with incomes below twenty thousand dollars (\$20,000) a year, mortgage relief aids to consumers, stimulus aids for buying a home, stimulus aids for building affordable housing, relief and stimulus aids to small and medium-sized businesses, worker retraining programs, stimulus aids for infrastructure projects, the expediting of endorsements and permits pending approval, and other economy-boosting measures; to amend Act No. 87 of June 25, 1965, as amended, in order to establish sources for funds that may be deposited into the Secured Mortgage Reserve Fund and to exempt certain deeds executed under this plan from the payment of Property Registry fees; and for other purposes.

STATEMENT OF MOTIVES

The Commonwealth of Puerto Rico is experiencing its worst fiscal crisis ever since the Great Depression of the '30s, with a budgetary deficit for fiscal year 2008-2009 that, on the date of this Act, has been estimated to amount to at least three point two (\$3.2) billion dollars. This budgetary deficit equals forty percent (40%) of the recurring revenues of the Government. So as to put our fiscal situation into perspective, the states of the United States of America with the highest deficits in relation to their

current revenue and expenditure structure, the next three fiscal years shall also reflect budgetary deficits of over \$3 billion per year.

The critical situation we are presently undergoing is mainly the aftermath of eight years of poor administrative controls exerted by an Executive Branch that seemingly overestimated government revenues, allowed increased spending to amounts which were not sustainable with recurring revenues, including a dramatic increase in payroll costs, and which failed to take the necessary measures to establish a balanced budget. Payroll costs for the Central Government increased by an average 10% per year during the period covering from 2000 to 2005, and by an average 6% per year for the past ten years. During the past four fiscal years, the Executive Branch overestimated the amount of revenues that would be covered into the General Fund by an average \$918 million per year. Balancing the budgets elicited the use of measures such as nonrecurring revenue mechanisms, stalling payment of expenditures and debt servicing, and issue of new debts, without taking cutback measures on government spending in order to draw up a truly balanced budget. These temporary strategies to balance the government budget and compensate for its structural deficit are not appropriate and no longer available.

In addition to the fiscal crisis of the government, the economy of Puerto Rico has been in recession since 2007, when it experienced a 1.9% contraction, followed by a 2.5% contraction in 2008. It is expected that the recession shall persist until the year 2011, with an estimate 3.4% contraction for 2009 and a 2.0% contraction for 2010. The economic situation worldwide is equally precarious. The United States, Europe, and Japan are experiencing a recession that portends to be the worst one since the Great Depression of the United States in the '30s. The World Bank estimates that

2009 could well be the first year since 1982 in which global trade downturns, with an expected 2.1% contraction. The crisis in the credit and capital markets worldwide has affected our economy, the availability of financing for new private and government investments, and the liquidity of our Government and the local financial system.

For the past eight years, the public debt of the Government of Puerto Rico has almost doubled, from \$25.2 billion in 2001 to \$46.7 billion in 2008. A significant share of the debt issued for these past eight years has been used to pay for operating expenses and to finance low economic impact projects. Due to the budgetary deficit and the lack of fiscal responsibility of the past administration, the general obligation bonds of Puerto Rico have the lowest rating ever in their history. At present, the general obligation bonds of Puerto Rico are at the lowest investment grade rating, and degradation by an additional grade would place such bonds below the lowest investment grade rating and turn them into junk bonds. If the government does not take immediate action to address the fiscal situation, credit rating agencies shall downgrade Puerto Rico's bonds credit rating to junk bond status, which would have a catastrophic effect on our fiscal and economic situation.

If our bonds should be downgraded to junk bond status, the Central Government would lose its ability to finance public works through the issue of debts, since demand in the worldwide market to buy Puerto Rico Government bonds would practically vanish. The size of bond issues would be scaled back, from the usual amounts nearing \$500-\$600 million dollars per issue, to only \$100-\$250 million per issue. The interest rates accrued on loans taken on by the government would notably rise and the local mutual funds, which have acquired and kept in their portfolio over \$8 billion in Puerto Rico bonds, would be impeded from buying additional bonds due to

their junk bond rating. It is also estimated that bond downgrading would have an immediate negative effect of \$3.112 billion in loss of wealth due the paring down in the value of bonds kept by persons and enterprises in Puerto Rico, \$1.25 billion less in public investment, and \$2.58 billion in capital that the government would be forced to use in order to provide additional collateral, and thus being rendered unable to serve other purposes. The drop in public investment, in and of itself, could have the effect of tearing down the economy of Puerto Rico at a rate of 6.4% by fiscal year 2009 and 5.0% by fiscal year 2010, which would bring about the loss of approximately 130,000 jobs, thus rendering the economic situation even more precarious,

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government austerity, disciplinary and spending cutback measures, and instituting new temporary mechanisms to stimulate the economy.

As the next step to address the grave fiscal situation, to prevent Puerto Rico bonds from being downgraded to junk bond status, and to bolster our economy, the Governor of Puerto Rico has created an Economic and Fiscal Reconstruction Plan. This Plan comprises a series of legislative measures with various purposes to address this crisis: first, controlling and cutting back on government spending; second, raise additional resources for the General Fund; third, offsetting the recessionary impact of the fiscal control measures by means of economic stimulus measures; and fourth, promoting the creation of Public-Private Partnerships so as to create new economic activity, develop new infrastructure facilities, improve public utilities, create new jobs, and provide proper maintenance to the existing infrastructure.

As an integral part of said Plan, this Act creates the Puerto Rican Economic Stimulus Plan [Sp.: *Plan de Estímulo Económico Criollo*] (“PEC” Spanish acronym), which pursues the objective of stimulating the economy of Puerto Rico through programs directed to diverse activities and sectors. PEC shall have \$500 million originating from the Puerto Rico Economic Stimulus Fund created by virtue of Section 6 of Act No. 91 of May 13, 2006, as amended. Such funds shall be used for programs comprised within PEC that are authorized hereunder, the objective of which is to foster maximal economic stimulus and to offset the recessionary effect of the fiscal measures implemented as part of the Economic and Fiscal Reconstruction Plan.

BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:

Section 1.—Short Title.—

This Act shall be known and may be cited as the “Puerto Rican Economic Stimulus Plan Act.”

Section 2.—Creation and Purpose.—

The Puerto Rican Economic Stimulus Plan is hereby created with the purpose of stimulating the economy of Puerto Rico and restoring its fiscal health. The Plan shall be under the administration of the Government Development Bank for Puerto Rico (the “Bank”) and be implemented pursuant to the provisions of this Act by utilizing the funds deposited into the Puerto Rican Economic Stimulus Fund (the “Fund”) established under Section 6 of Act No. 91 of May 13, 2006, as amended. The Board of Directors of the Bank shall establish through regulations any requirements, terms, and conditions as it may deem necessary so that the disbursements made comply with the economic stimulus purposes pursued by this Act. Any regulations adopted by the Bank to implement the Puerto Rican Economic Stimulus Plan shall be exempted from the provisions of Act No. 170 of August 12, 1988, as amended; however, the Bank shall see to the dissemination and publicity thereof for the knowledge of the general public.

Section 3.—Relief Aids for Pensioners.—

The Bank shall assign to the Secretary of the Treasury such sum as necessary in order for the Department of the Treasury to grant a cash bonus in the amount of three hundred dollars (\$300) to any persons receiving a pension or benefit under Act No. 447 of May 15, 1951, as amended, or under the pension plans superseded by the latter, or under any other law administered by the Administrator of the Puerto Rican Government Employee Retirement System, including any persons availing themselves of a pension

or benefit under Act No. 12 of October 19, 1954, as amended; and Act No. 127 of June 27, 1958, as amended; provided, that only those persons who have filed an income tax return for 2008 shall be eligible, as long as their income earned for 2008 is lesser than twenty thousand dollars (\$20,000). Pensioners under the provisions of Act No. 305 of September 24, 1999, known as the Retirement Savings Account Program, shall not be eligible for this bonus. Any bonus not claimed on or before December 31, 2009, shall be reverted to the Puerto Rico Economic Stimulus Fund. Within thirty (30) days following the date of approval of this Act, the Secretary of the Treasury shall file with the Bank, a plan for the disbursement the funds required by the Department of the Treasury to grant the bonus authorized under this Section 3. Disbursements shall be made pursuant to regulations that the Secretary of the Treasury may adopt for these purposes.

Section 4.—Mortgage Relief Aids for Consumers.—

The Bank shall assign to the Puerto Rico Housing Financing Authority (the “Authority”) or deposit into the Secured Mortgage Reserve Fund created by virtue of Act No. 87 of June 25, 1965, as amended (the “Reserve Fund”), the sum of thirty million dollars (\$30,000,000), in order for the Authority to establish a program to restructure mortgages over eligible homes, whereby the Authority shall provide a surety equal to twenty-five percent (25%) of the principal of the mortgage for any of the following relief aids, or combination thereof, under the norms and rules established by the Authority:

- (a) Allowing for a moratorium on the payment of their principal,
- (b) Allowing for an extension on the date of maturity of the principal,
- (c) Lowering monthly payments on principal and interest,

- (d) Lowering the interest rate, or
- (e) Partial or total elimination of late fees.

The Authority shall establish through regulations the eligibility criteria for participating in this program, as well as the procedures and mechanisms to be used for its implementation.

Section 5.—Homebuyer Stimulus Aid.—

The Bank shall assign to the Authority or deposit into the Reserve Fund, the sum of twenty-four million dollars (\$24,000,000), in order for the Authority to establish a program to help eligible persons or families acquire a newly-built or an existing home by means of a relief aid on the down payment required at the time of purchase. The relief aid shall be in the amount of twenty-five thousand (\$25,000) dollars for newly-built homes and ten thousand dollars (\$10,000) for existing homes. This down-payment relief aid shall be obtained by placing a second mortgage for the authorized amount. Such second mortgage is not to become payable as to principal and interest for ten years and shall be secured by the Authority under the provisions of Act No. 87 of June 25, 1965, as amended. The interest rate on such second mortgage shall be a fixed rate, and never greater than the interest rate on the first mortgage. The Authority shall establish through regulations the criteria and procedures to be used to determine eligibility for participating in this program, the subsidy amount that the beneficiary shall receive from the Authority depending on the income of the person or family, and the amount, if any, to be put forth by the homebuyer, the developer, and the bank, cooperative association, or financial institution for newly-built homes, or by the homebuyer and the seller for existing homes.

Section 6.—Interim Loan Co-sharing Program.—

The Bank shall assign to the Authority the sum of sixty-eight million dollars (\$68,000,000), to be used in the program currently administered by the Administration for the co-sharing of interim loans to build affordable and low-cost housing. The Authority may establish through regulations the criteria and procedures to be utilized to determine eligibility for participating in this program.

Section 7.—Provisions on the Authority.—

Any regulations adopted by the Authority to implement the programs created by virtue of Sections 4 and 5 of this Act and the program described in Section 6 of this Act, shall be exempted from the provisions of Act No. 170 of August 12, 1988, as amended; however, the Authority shall see to the dissemination and publicity thereof for the knowledge of the general public. Any reference to the Secretary of Housing in Act No. 87 of June 25, 1965, as amended, shall be understood to refer and apply to the Authority.

Section 8.—Small and Medium-sized Business Stimulus Aid.—

The Bank shall assign to the Puerto Rico Economic Development Bank (the PRED Bank) the sum of one hundred eighty million dollars (\$180,000,000), in order for the PRED Bank to establish a program to secure loans for small and medium-sized businesses in the amount of five thousand dollars (\$5,000) for each full-time regular employee (or the equivalent number of part-time employees), as per the official and certified payroll of the business on the date of applying for this benefit, up to a maximum amount of two hundred fifty thousand dollars (\$250,000) per business. The PRED Bank shall establish through regulations the eligibility criteria for participating in this program, as well as the procedures and mechanisms to be utilized for its implementation. By petition of the PRED Bank, the Bank

may authorize the use of a portion of these funds in existing PRED Bank programs whose purpose is to stimulate the economic development of the private sector—namely, small and medium-sized businesses (defined as businesses with fifty (50) full-time employees or less, or an equivalent number of part-time employees, whose gross income does not exceed five million (5,000,000) dollars per year. Cooperative associations may participate in the program, contingent upon meeting the requirements established by the PRED Bank.

Section 9.—Worker Retraining.—

The Bank shall assign to the Department of Labor and Human Resources (the “Department”) the sum of fifteen million dollars (\$15,000,000) to establish programs to retrain displaced employees or employees who need retraining in order to keep their present job or to move to another occupation in demand. The Department shall establish through regulations the eligibility criteria for participating in this program, as well as the procedures and mechanisms to be utilized for its implementation.

Section 10.—Aqueduct and Sewer Authority Infrastructure Project.—

The Bank shall assign to the Puerto Rico Aqueduct and Sewer Authority the sum of twelve million, five hundred thousand dollars (\$12,500,000), in order to carry out an infrastructure project whereby a sewer system shall be built for the communities of Salinas-Providencia and Playa Santa, in the Municipality of Guánica. The Bank may impose upon the Puerto Rico Aqueduct and Sewer Authority the requirements and conditions as it may deem necessary to disburse the sum thus assigned, including commencement of the project within one hundred eighty (180) days, among others.

Section 11.—Mayagüez 2010.—

The Bank shall assign to the Puerto Rico Infrastructure Financing Authority the sum of five million dollars (\$5,000,000) for infrastructure projects and other expenditures required for planning, readying or operation of the XXI Central American and Caribbean Games, to be held in the Municipality of Mayagüez in 2010, insofar as the Bank receives reasonable assurances as to the holding of the event. If no such reasonable assurance is received, the Bank may apply these funds to any other purposes authorized under this Act.

Section 12.—Elimination of Barriers.—

The Bank shall assign to the Regulations and Permits Administration the sum of up to five hundred thousand dollars (\$500,000) to cover administrative and operating expenses (except for payroll expenses) of the Interagency Permits and Endorsements Committee created by Executive Order OE-2009-6, as necessary to implement an interim procedure whereby the public entities and agencies concerned shall process immediately, promptly and efficiently, any pending permit and endorsement application.

Section 13.—Our Infrastructure Investment Plan.—

(a) The sum of one hundred million dollars (\$100,000,000), originating from the Puerto Rico Economic Stimulus Fund, shall be assigned to and distributed among municipalities according to their population and in the manner provided for under subsection (b), so that the latter may carry out infrastructure improvement projects ready for bidding and awarding, such as improvements to storm sewer systems, canalization of ravines, construction of aqueducts and sanitary systems, public lighting projects, and construction of or improvements to roads and bridges, among others, through a program to be known as the Puerto Rico Infrastructure Investment Plan.

provided for in subsection (e). Except as provided in subsection (e), these funds may not be used for rehabilitating or refurbishing government buildings, schools or sports facilities or for operating or payroll expenses of the municipalities.

(b) The amount of one hundred million dollars (\$100,000,000) shall be distributed among municipalities as follows:

(i) Each of the following municipalities shall be entitled to receive up to a total sum of eight hundred forty-eight thousand, four hundred eighty-five dollars (\$848,485) for projects that qualify: Culebra, Maricao, Vieques, Las Marías, Florida, Maunabo, Rincón, Hormigueros, Jayuya, Ceiba, Arroyo, Adjuntas, Ciales, Luquillo, Comerío, Patillas, Santa Isabel, Guánica, Barceloneta, Guayanilla, Naguabo, Orocovis, Quebradillas, Sabana Grande, Lajas, Aibonito, Peñuelas, Villalba, Añasco, Barranquitas, Aguas Buenas, Naranjito, and Morovis.

(ii) Each of the following municipalities shall be entitled to receive up to a total sum of one million, three hundred fifty-two thousand, nine hundred forty-one dollars (\$1,352,941) for projects that qualify: Cataño, Salinas, Loíza, Dorado, Lares, Las Piedras, Camuy, Utuado, Juncos, Gurabo, Corozal, San Germán, Coamo, Vega Alta, Hatillo, Yabucoa, and Moca.

(iii) Each of the following municipalities shall be entitled to receive up to a total sum of one million, five hundred seventy-eight thousand, nine hundred forty-seven dollars (\$1,578,947) for projects that qualify: Fajardo, San Lorenzo, Aguada, Cidra, Canóvanas, San Sebastián, Guayama, Isabela, Manatí, Yauco, Cabo Rojo, Cayey,

Juana Díaz, Río Grande, Humacao, Vega Baja, Toa Alta, Aguadilla, and Trujillo Alto.

(iv) Each of the following municipalities shall be entitled to receive up to a total sum of two million, one hundred eleven thousand, one hundred eleven dollars (\$2,111,111) for projects that qualify: Toa Baja, Mayagüez, Guaynabo, Arecibo, Caguas, Carolina, Ponce, Bayamón, and San Juan.

(c) The Evaluating Committee on Our Infrastructure Investment Plan (the “Committee”) is hereby created, to administer the plan, establish the conditions, requirements and standards of the plan, evaluate proposals by municipalities, approve the selection of participating projects and the disbursement of funds from the Puerto Rico Economic Stimulus Fund for such projects, and see to the compliance with the requirements of the plan. The Committee shall be composed of the following three (3) persons: the Executive President of the Puerto Rico Aqueduct and Sewer Authority (or his/her delegate), the Executive Director of the Puerto Rico Infrastructure Financing Authority (or hi/her delegate), and one official from the Office of the Governor in the area of infrastructure, planning, and urban development. The Committee may create subcommittees as necessary to discharge any of its functions. Each subcommittee shall be composed of Committee members or other officials or persons from the public sector designated by the Committee who are stakeholders or experts in the matters to be addressed by the subcommittee.

(d) Any municipality that, within the term established by the Committee, has not commenced the works for which the Committee has allocated funds, shall lose such allocation, and the Committee may reallocate such funds to other municipalities, to be used in projects that qualify and

which can be commenced within the briefest term and which yield the greatest economic benefit, as determined by the Committee.

(e) Any municipality that has a budgetary deficit may request that all or part of the funds to which it is entitled under Our Infrastructure Investment Plan be used to pay off existing debts of such municipality with the Central Government, public corporations, or Puerto Rico Government employee retirement systems. To this end, it shall be required for the Bank to certify that the municipality has a budgetary deficit, that these debts exist and the amount of such debts of the municipality with the Central Government, public corporations, or Puerto Rico Government employee retirement systems, and that the municipality has executed a spending cutback plan or approved an ordinance or a resolution to increase its revenues in a manner acceptable to the Bank. Once these requirements are met, the Bank shall make the corresponding disbursements directly to the Secretary of the Treasury or the applicable public corporations or retirement systems.

(f) The funds which, by the date established by the Committee, have not been allocated for any project or use under the Our Infrastructure Investment Plan established by virtue of Section 13, shall be reverted to the Puerto Rico Economic Stimulus Fund, to be used as provided for in Section 15.

Section 14.—Appropriations by the Legislature.—

The sum of twelve million, five hundred thousand dollars (\$12,500,000), originating from the Puerto Rico Economic Stimulus Fund, shall be appropriated to the Senate of Puerto Rico, and the sum of twelve million, five hundred thousand dollars (\$12,500,000), originating from the Puerto Rico Economic Stimulus Fund, shall be appropriated to the House of

Representatives of Puerto Rico. Such funds shall be kept in one or several accounts with the Bank and be disbursed as per the appropriations approved by each house through joint resolutions. Such funds may only be used for capital improvement or infrastructure projects that can be commenced within a term of sixty (60) days following the date of appropriation by the corresponding house. Funds appropriated for projects that are not commenced within such sixty (60)-day term shall be reverted to the account kept by the house that appropriated such funds with the Bank and be available for reappropriation by the corresponding house for other capital improvement or infrastructure projects that can be commenced within sixty (60) days following the date of the reappropriation.

Section 15.—Amount Adjustments.—

The Governor may, through an Executive Order, increase or decrease the amount of funds from the Puerto Rico Economic Stimulus Fund to be appropriated to each of the programs or initiatives authorized by virtue of this Act, except for sums appropriated under Sections 3, 10, 11, 13, and 14, which may not be altered save to the extent provided for under such Sections. Such an increase or decrease shall only be made when necessary to maximize the economic stimulus objectives pursued by this Act. The Executive Order issued by the Governor shall set forth the grounds for such an increase or decrease. In the event that the sums appropriated under Sections 10, 11, and 13 are not used in their entirety for the purposes established therein, the Governor may, through an Executive Order, apply any remainder to any other purposes authorized under this Act.

Section 16.—Section 1 of Act No. 87 of June 25, 1965, as amended, is hereby amended to read as follows:

“Section 1.—In order to guarantee sufficient safe and hygienic dwellings in Puerto Rico, to develop the construction and housing industries and the resulting additional employment opportunities for the citizens of the Commonwealth of Puerto Rico, and to facilitate housing programs financed or sponsored by the Puerto Rico Housing Bank and Financing Agency, and any other agency, public corporation, municipality or instrumentality of the Commonwealth of Puerto Rico, the Puerto Rico Housing Bank and Financing Agency, henceforth denominated as the ‘Agency,’ is hereby authorized to insure by itself or jointly with others, and reinsure the payments of any mortgage loan or interim financing granted with the purpose of constructing, rehabilitating, acquiring, leasing or refinancing housing under the terms and conditions determined by the Agency. In the case of permanent financing, the mortgage insurance may be applied to any loan in the portfolio of the Agency or the Office for the Liquidation of the Accounts of the Housing and Urban Renewal Corporation.

For the purpose of meeting the obligations assumed by the Agency in the insurance of mortgages as provided by this Act, the Agency shall create an Insured Mortgage Reserve Fund, which shall be used to pay for all commitments incurred on account of insurance, operating expenses, and any other expenses incidental to mortgage insurance, as provided for under the Mortgage Security Insurance Regulation, to be established subsequently in this Act. Such Fund shall be nourished by the following revenue sources: (i) premiums charged on account of mortgage insurance, (ii) fees for the issue or extension of insurability pledges, (iii) interest earned by the Insured Mortgage Reserve Fund itself, (iv) funds appropriated by the Agency in order to maintain the Insured Mortgage Reserve Fund at the level required under the Mortgage Security Insurance Regulation to ensure its solvency, (v)

the remaining proceeds of the sale of properties acquired by the Agency through the foreclosure of mortgages insured by the Agency, (vi) legislative appropriations from the General Fund of the Treasury of Puerto Rico or from any other source approved by the Legislature, (vii) appropriations from the Puerto Rico Economic Stimulus Fund, or (viii) any other fee established by the Authority for these purposes.”

Section 17.—A new Section 12 is hereby added to Act No. 87 of June 25, 1965, as amended, to read as follows:

“Section 12.—The mortgage modification deeds executed to modify the terms of any mortgage insured under the mortgage insurance established by virtue of this Act, so as to temper the same with the terms established by the Agency through regulations, shall be exempted from the payment and cancellation of internal revenue stamps and shall be recordable in the Property Registry free of charge as regards the fees provided under Section 67 of June 20, 1963, as amended. Furthermore, the provisions of Section 77(3)(a) of Act No. 75 of July 2, 1987, as amended, shall apply to all deeds mentioned in this Section 12.”

Section 18.—Monthly Reports.—

All agencies, public corporations and instrumentalities or municipalities that receive moneys from the Economic Stimulus Plan shall render monthly reports on the use thereof. Such reports shall be filed with the offices of the presiding officer of each legislative house within a term not greater than twenty (20) days after the closing of each month.

Section 19.—Severability.—

If any provision of this Act or the application thereof were to be found invalid, such a finding shall not affect the remaining provisions of this Act or the application thereof, and all other provisions shall continue to be in

effect, even if some of these are found to be invalid, and to this end, it is hereby provided that the individual provisions of this Act shall be severable.

Section 20.—Effectiveness.—

This Act shall take effect immediately after its approval.

CERTIFICATION

I hereby certify to the Secretary of State that the following Act No. 9 (H.B. 1320) of the 1st Session of the 16th Legislature of Puerto Rico:

AN ACT create the Puerto Rican Economic Stimulus Plan [Sp.: *Plan de Estímulo Económico Criollo*], in order to stimulate the economy of Puerto Rico by granting a bonus to pensioners of the Government of the Commonwealth of Puerto Rico with incomes below twenty thousand dollars (\$20,000) a year, mortgage relief aids to consumers, stimulus aids for buying a home, stimulus aids for building affordable housing, relief and stimulus aids to small and medium-sized businesses, worker retraining programs, stimulus aids for infrastructure projects, the expediting of endorsements and permits pending approval, and other economy-boosting measures; to amend Act No. 87 of June 25, 1965, as amended, in order to establish sources for funds that may be deposited into the Secured Mortgage Reserve Fund and to exempt certain deeds executed under this plan from the payment of Property Registry fees; and for other purposes,

has been translated from Spanish to English and that the English version is correct.

In San Juan, Puerto Rico, today 1st of April of 2009.

Solange I. De Lahongrais
Director