



## GOVERNMENT OF PUERTO RICO

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Puerto Rico Fiscal Agency and Financial Advisory Authority

Friday, February 22, 2018

PRESS RELEASE

### **Government Disburses Emergency Funds to PREPA**

(San Juan) – Today, the Executive Director of the Fiscal Agency and Financial Advisory Authority of Puerto Rico (AAFAF, by its Spanish acronym), Gerardo J. Portela Franco, informed that the Puerto Rico Treasury Department disbursed emergency loan funds to the Puerto Rico Electric Power Authority (PREPA) in order to allow the public corporation to continue operating and serving the people of Puerto Rico.

Portela Franco explained that the transaction was finalized following a complex process, which included the approval of Joint Resolution 16-2018 by the Legislative Assembly, the authorization of Federal Judge Laura Taylor Swain and of the Financial Oversight and Management Board. “This loan will give PREPA access to \$300 million, which will help provide short-term liquidity to the public corporation allowing it to continue operations,” stated the head of AAFAF.

The financial advisor of the Government of Puerto Rico pointed out that, given PREPA’s liquidity needs, further measures are required to maintain the fiscal stability of the public corporation, such as, the federal aid that U.S. Department of the Treasury has not disbursed yet, saving measures and other loans, such as the one disbursed.

On a separate note, Puerto Rico Treasury Secretary Raúl Maldonado Gautier indicated that, in order to safeguard PREPA’s operations, the loan can be used for eligible uses directly related to the system’s recovery, such as, payroll, fuel purchase and other operating expenses.

“The funds that the public corporation will receive represent a significant step towards Puerto Rico’s recovery after the passage of Hurricane María. This loan ensures the continued provision of a critical service for Puerto Rico, such as electricity,” Maldonado Gautier pointed out.



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Finally, Portela Franco stated that the negotiations with the U.S. Department of the Treasury and FEMA continue to allow Puerto Rico access to the funds approved by the U.S. Congress under the Community Disaster Loan (CDL) program.

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