

Readout of Interagency Meeting with Puerto Rico's Financial Oversight and Management Board



February 28, 2018

Washington – Yesterday, officials from the Department of the Treasury, the Office of Management and Budget, National Economic Council, the Federal Emergency Management Agency (FEMA), the Department of Commerce, the Department of Energy, the Department of Housing and Urban Development, and the Department of Justice met with the Puerto Rico Financial Oversight and Management Board (FOMB) and members of its senior staff for an information sharing session.

FEMA and Treasury officials discussed the terms and conditions under which the Federal Government will offer Community Disaster Loans (CDLs) to the Commonwealth of Puerto Rico, including important steps that will be taken to protect federal taxpayer investments while ensuring funding is available quickly when needed. Treasury and FEMA are putting in place loan documentation for the Commonwealth to access funding quickly in the event its cash balance declines below \$800 million. CDL financing will be structured through direct lending to the Commonwealth, which could then on-lend to its public corporations, including the Puerto Rico Electric Power Authority (PREPA).

FEMA is also working closely with the Commonwealth and Puerto Rico's municipalities to fund their own, municipal-level CDLs. FEMA is aggressively reviewing applications and expects to begin funding loans of up to \$5 million per municipality in the near future.

The FOMB reviewed fiscal plans to be completed under the *Puerto Rico Oversight, Management, and Economic Stability Act* (PROMESA), the status of restructuring Puerto Rico's debts and pension obligations, and Puerto Rico's plans to privatize PREPA.

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