

Statement by a Treasury Spokesperson on the Agreement Reached by Secretary Mnuchin on the Community Disaster Loans for Puerto Rico

March 22, 2018

San Juan, Puerto Rico – A U.S. Department of the Treasury Spokesperson today issued the following statement on Secretary Steven T. Mnuchin’s trip to Puerto Rico and the agreement reached with Governor Rosselló regarding community disaster loans (CDLs) for the Commonwealth:

“Secretary Mnuchin traveled to Puerto Rico to receive a briefing from FEMA officials and discuss the rebuilding efforts since Hurricane Maria devastated the island. He then met with Governor Rosselló to discuss the terms and conditions of the FEMA community disaster loans authorized by Congress, and was pleased to reach an agreement in principle.

“The CDLs are intended to provide short term liquidity to the Government of Puerto Rico to ensure that essential services, separate from the disaster response, are not disrupted. Should Puerto Rico’s cash balance drop below \$1.1 billion, a loan disbursement would be available. The amount of the disbursement would depend on the cash needs at the time. Puerto Rico currently has over \$1.4 billion in available funds in its general account. The agreement must be signed by the parties and approved by the Financial Oversight and Management Board. The oversight board will then present the agreement to the court overseeing Puerto Rico’s debt restructuring for approval.

“Secretary Mnuchin is committed to ensuring Puerto Rico receives the liquidity it needs while fully protecting U.S. taxpayers. The Secretary pledged his ongoing support to the Commonwealth’s financial needs and rebuilding efforts.”

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