



GOVERNMENT OF PUERTO RICO
 PUERTO RICO FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY

FISCAL AGENCY OFFICE
 Governmental Financing
 Contracts Regulations

MAXIMUM INTEREST

Effective Period: September 1– 30, 2021

INTRODUCTION:

The Government Financing Contracts Regulation No. 8071 of September 7, 2011, approved by the Board of Directors of the Government Development Bank (the "Bank"), through Resolution No. 9599 of August 17, 2011, sets forth the norms that govern the procedures for the approval of the award or assignment of any leasing contract or financing contract, subject to the provisions of Act No. 265 of September 2, 2003.

Act No. 2 of January 18, 2017, created the Puerto Rico Fiscal Agency and Financial Advisory Authority (the "Authority"). Subject to Article 5, Section (c) of such Act, the Authority was created to assume all the Bank's roles as the Fiscal Agent, Financial Advisory and Informative Agent for all the entities of the Government of Puerto Rico. Also provides that all the bank's existing regulations for this role, approved by the Bank before said Act, would continue in full force until any amendment or modification is made by the Authority. For the purpose of this document, references to the Authority shall mean; successor to the Bank.

DEFINITION:

Pursuant to the provisions of Article 3, Definitions, Section I, of Regulation No. 2, the Maximum Interest is:

- *"The Maximum Interest Rate allowed for Financing Contracts, as set by the Bank (now the Authority) from time to time. Said interest rate shall be set by the Bank (now the Authority) periodically."*

MAXIMUM INTEREST APPLICABLE:

The Authority recommends the following maximum interest rates for financing contract transactions.

| MATURITY (YEARS) | MAXIMUM INTEREST (%) |
|------------------|----------------------|
| 2 | 3.55 |
| 3 | 3.65 |
| 4 | 3.85 |
| 5 | 4.10 |

These maximum interests rates shall be in effect during one month, valid from **September 1st through September 30th, 2021**, subject to changes at the discretion of the Authority, depending on overall shifts in the market interest rates.

For the maximum interest applicable to transactions that do not have 2, 3, 4, and 5 years to maturity, please contact an official at the Authority.

Our recommendation pertains solely and exclusively to the applicable interest rate for financing contract proposals.