

(H. B. 1523)

(No. 28)

(Approved June 8, 2009)

AN ACT

To amend Section 5 of Act No. 9 of March 9, 2009, known as the “Puerto Rican Economic Stimulus Plan Act,” in order to clarify the matter of the interest rate on second mortgages.

STATEMENT OF MOTIVES

Act No. 9 of March 9, 2009 (“Act No. 9”), known as the “Puerto Rican Economic Stimulus Act,” was approved with the purpose of stimulating the economy of Puerto Rico through programs addressed to different activities and sectors. Act No. 9 is part of a group of measures which are necessary to restore the fiscal health of the Commonwealth of Puerto Rico, as well as to improve the credit rating of its bonds and to promote its economic recovery.

To such effect, one of the stimulus aids proposed under Act No. 9 consists of the establishment of a Newly Built or Existing Home Buying Program by granting homebuyers a relief aid on the down payment required at the time of purchase. Act No. 9 provides that such relief aids on down payments are to be obtained from second-mortgage loans.

In order to maximize the benefits of the Newly Built or Existing Home Buying Program, it is hereby clarified that the interest rate applicable on such second mortgage shall be provided for by the Puerto Rico Housing Financing Authority by regulation.

BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:

Section 1.—Section 5 of Act No. 9 of March 9, 2009, known as the “Puerto Rican Economic Stimulus Plan Act,” is hereby amended to read as follows:

“Section 5.—Homebuyer Stimulus Aid.—

The Bank shall assign to the Authority or deposit into the Reserve Fund, the sum of twenty-four million (24,000,000) dollars, 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 maximum amount of twenty-five thousand (25,000) dollars for newly-built homes and ten thousand (10,000) dollars 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, as established by the Authority by Regulation, but shall never be greater than the interest rate prevailing on the market, plus one-fourth (1/4) percent upon closing of sale. The Authority shall establish by regulation 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 3.—Effectiveness.—

This Act shall take effect immediately after its approval, but its provisions shall be retroactive to March 9, 2009.

CERTIFICATION

I hereby certify to the Secretary of State that the following **Act No. 28 (H. B. 1523)** of the **1st Session of the 16th Legislature** of Puerto Rico:

AN ACT to amend Section 5 of Act No. 9 of March 9, 2009, known as the “Puerto Rican Economic Stimulus Plan Act,” in order to clarify the matter of the interest rate on second mortgages.

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

In San Juan, Puerto Rico, today 13th of November of 2009.

Solange I. De Lahongrais, Esq.
Director