

(H. B. 2535)

(No. 122-2010)

(Approved August 6, 2010)

AN ACT

To establish the “Act for the Financing of the ‘Mi Nuevo Hogar’ Program,” to amend paragraph (2) of subsection (a) of Section 6 of Act No. 36 of June 28, 1989, as amended, better known as the “Abandoned and Unclaimed Money and Liquid Assets Act”; to create the Special Fund for Financing the “Mi Nuevo Hogar” Program; to transfer certain unclaimed funds proceeding from moneys and other liquid assets abandoned or not claimed by clients or beneficiaries in financial institutions and insurers; to provide for its regulation, authorize the matching of funds, and establish general provisions; and for other related purposes.

STATEMENT OF MOTIVES

The need for housing in Puerto Rico affects thousands of families, so several financial aid programs have been established to help them become homeowners. However, even after aids such as those provided by the Federal HOME (Home Ownership Made Easy) Program, the Affordable Housing Subsidy (Act No. 124 of December 10, 1993, as amended) and the Homeowners Stimulus Aid are applied, the lack of resources to cover the closing costs of the transaction limits the opportunities of many families. In order to help these families, the Puerto Rico Housing Finance Authority created the Bonus Program for the Closing Costs of Housing.

The Program grants up to 5% of the sales price to a buyer for use in the closing costs of a purchase transaction, if such purchase is for a principal residence. For said program, the Housing Finance Authority used internal adjustments and budgetary savings to initially set aside the amount of \$20,000,000, thus creating a program that has enabled many buyers to use these funds to acquire a home.

Since its implementation, this program has been so successful that, in the first 45 days, the funds to provide 530 bonuses were set aside. This has helped dispose of the new and resale housing inventory, thus promoting the strengthening of the real estate industry and, ultimately, the economy of Puerto Rico. As of April 2010, approximately 6,000 families had received aid, and more than \$27 million from the Program's own funds and appropriations from the Puerto Rican Economic Stimulus Plan had been invested.

In view of the success of this program and being aware of the historic moment we are going through with regard to the economy, it is important for the government to support and sponsor initiatives such as the one created by the Housing Finance Authority. It is therefore necessary to seek alternatives to continuously nourish this type of program. Thus, we continue helping to create a balance in the property purchase and sales industry both to achieve the economic stability that Puerto Rico needs and to revitalize the housing market.

Act No. 209 of December 29, 2009, amended Section 16 of Act No. 124 of December 10, 1993, to substitute the "La Llave para tu Hogar" Program with the "Mi Nuevo Hogar" Program. The Program consists of a subsidized contribution in the form of a certified voucher, equal to five percent (5%) of the sales price or appraised value, whichever is less, of the housing unit qualified under the established parameters. When the certified voucher corresponds to a housing unit

whose fair value is less than one hundred thousand dollars (\$100,000), the same shall be in the amount of five thousand dollars (\$5,000.00). When the certified voucher corresponds to a housing unit whose fair value is greater than two hundred thousand dollars (\$200,000), the same shall be in the amount of ten thousand dollars (\$10,000.00), and entail a minimum match of ten thousand dollars (\$10,000.00) to be paid by the developer and added to the certified voucher together with the contribution from the State. The Program requires economic resources to continue operating and benefitting families that wish to acquire a safe and adequate home of their own.

In principle, funds not claimed by the citizenry are not funds of the State, and it could be construed that, for different reasons, it is money that has been abandoned because it has no use or purpose for its owners. At present, these funds revert to the general fund after being reserved for a period of ten (10) years. However, less than 30% of said funds are claimed after this term has elapsed. In fact, over 90% of the claims are made during the first three years of being reserved. Reducing the period of time that they must be reserved for possible claim would empower us to redistribute the reduced equivalent of unclaimed funds kept in financial institutions and/or insurers to persons with financial needs so that they may purchase a home. This unequivocally results in an act of social justice that strengthens Puerto Rican families.

For such reason, this Legislative Assembly, aware of its responsibility towards working citizens, provides that the financing of the “Mi Nuevo Hogar” Program be deemed a mandate of law, and that recurrent funds be appropriated to the Housing Finance Authority so that it may continue defraying part of the closing costs of buyers who need it.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:

Section 1.- This Act shall be known as the “Act for the Financing of the ‘Mi Nuevo Hogar’ Program.”

Section 2.- Paragraph (2) of subsection (a) of Section 6 of Act No. 36 of June 28, 1989, better known as the “Abandoned and Unclaimed Money and Liquid Assets Act,” is hereby amended to read as follows:

“Section 6. – Publication

Every financial institution or holder, as defined in this Act, that is bound to render the report described in subsection (a) of the preceding Section 5 of this Act, shall publish a notice annually, once during each of the months of August and September in a newspaper of general circulation, entitled Unclaimed Money and Other Liquid Assets in the Custody of (name of the financial institution or holder.)

This notice shall contain:

...

(2) A statement declaring that, in accordance with the procedures established in this Act, the amounts of money and liquid assets that are not claimed from the financial institution or holder concerned shall be transferred to the Commissioner of Financial Institutions, to whom all claims shall be addressed within a term of three (3) years counting from the date the unclaimed money and assets are delivered to the Commissioner.”

Section 3. – As of the approval of this Act, the funds and liquid assets declared and notified as abandoned or unclaimed by the Office of the Commissioner of Financial Institutions shall be reserved and available for claim by the corresponding owner for a three (3) year term counting from the date of their respective public notices.

Three years after the approval of this Act, the abandoned or unclaimed funds and liquid assets whose reserve term has expired shall be transferred, for the following seven (7) consecutive years, as detailed hereinbelow:

Once the three (3) year reserve term has expired, the Department of the Treasury shall reserve up to a maximum of fifteen percent (15%) of the balance of said abandoned or unclaimed funds and liquid assets to settle any outstanding debt on account of claims regarding tax credit certificates that have not yet been conferred, pursuant to Section K of Act No. 120 of October 31, 1994, as amended, known as the “Puerto Rico Internal Revenue Code of 1994”. The remaining balance, which shall be equal to or greater than eighty percent (80%) of the unclaimed funds and liquid assets, shall be immediately transferred to the Special Fund for Financing the “Mi Nuevo Hogar” Program, which is deposited in and in the custody of the Housing Finance Authority created by this Act.

At the time of the approval of this Act, the abandoned and unclaimed funds and liquid assets reserved for the claiming thereof until the expiration of the ten (10) year term shall continue to be covered into the General Fund as their terms expire.

Seven years after the approval of this Act, the abandoned and unclaimed funds and liquid assets that begin their three (3) year reserve period shall be covered into the General Fund as their terms expire.

Section 4.- The Authority shall keep an account denominated “Special Fund for Financing the ‘Mi Nuevo Hogar’ Program” to administer and finance said program, which shall be nourished from all the sources provided by law, as well as from the Authority’s internal economies, in compliance with the purposes of this Act.

Section 5.- The Housing Finance Authority, the Department of the Treasury, and the Office of the Commissioner of Financial Institutions shall adopt their regulations in effect pursuant to the provisions of this Act.

Section 6.- None of the provisions of this Act shall be construed in prejudice or impairment of any action or resolution taken, transaction conducted, or obligation contracted under the “Mi Nuevo Hogar” Program operated by the Authority, nor shall they have the effect of hampering the procedures of any action, request, or transaction initiated under said Program.

Any unencumbered surplus from funds previously set aside for the Program shall become part of the account provided in Section 4 of this Act in order to give continuity to the Program as provided by law.

Section 7.- The Puerto Rico Housing Finance Authority shall obtain immediate financing, and shall guarantee its repayment through the income that, for seven (7) years and through this Act, shall be deposited in the “Special Fund for Financing the ‘Mi Nuevo Hogar’ Program.” Furthermore, it may match and require the matching of funds from agency savings and/or budgetary adjustments, gifts, appropriations, or Federal, municipal, or private proposals, as well as from any other appropriation approved by the Legislative Assembly, with those provided in this Act to be used for achieving its purposes.

The Department of the Treasury may also obtain financing by guaranteeing its repayment with the interest that, for seven (7) years, it may reserve for the purpose entrusted to it in Section 3 of this Act.

Section 8.- If any provision, clause, or language in this Act is held null or unconstitutional by a competent court, such holding shall exclusively affect said provision, clause, or language and shall not impair any other part thereof.

Section 9.- This Act shall take effect immediately after its approval.

CERTIFICATION

I hereby certify to the Secretary of State that the following **Act No. 122-2010 (H. B. 2535)** of the **3rd Session of the 16th Legislature** of Puerto Rico:

AN ACT to establish the “Act for the Financing of the ‘Mi Nuevo Hogar’ Program,” to amend paragraph (2) of subsection (a) of Section 6 of Act No. 36 of June 28, 1989, as amended, better known as the “Abandoned and Unclaimed Money and Liquid Assets Act”; to create the Special Fund for Financing the “Mi Nuevo Hogar” Program; to transfer certain unclaimed funds proceeding from moneys and other liquid assets abandoned or not claimed by clients or beneficiaries in financial institutions and insurers; to provide for its regulation, authorize the matching of funds, and establish general provisions; and for other related purposes.

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

In San Juan, Puerto Rico, on the 27th day of December, 2012.

María del Mar Ortiz Rivera