



## Financial Oversight and Management Board for Puerto Rico

### PRESS RELEASE

For Immediate Release

#### **OVERSIGHT BOARD CERTIFIES GOVERNMENT DEVELOPMENT BANK'S AMENDED RESTRUCTURING SUPPORT AGREEMENT AS A VOLUNTARY AGREEMENT AND QUALIFYING MODIFICATION UNDER TITLE VI**

*The Oversight Board certifies two voting pools of bonds and accepts the designation of Epiq as Calculation and Information Agent for the solicitation process*

*(San Juan, PR – May 11, 2018)* – The Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”) created by Congress under the bipartisan Puerto Rico Oversight, Management and Economic Stability Act (“PROMESA” or the “Act”) today took action with respect to the Government Development Bank’s (“GDB”) amended Restructuring Support Agreement (“RSA”) under its Title VI authority.

“Agreement with the Government Development Bank’s creditors is an important accomplishment toward achieving PROMESA’s goals,” said Natalie Jaresko, Executive Director. “The amended RSA demonstrates the Board’s commitment to achieving consensual restructuring agreements where possible.”

The Board’s decision was in response to a Fiscal Agency and Financial Advisory Authority (“FAFAA”) letter, dated April 25, 2018, in which the agency requested the Board recertify the Amended RSA as a Voluntary Agreement.

#### **Details of the Amended RSA**

The RSA establishes two pools of bond claims, one for claims guaranteed by the Commonwealth and one for non-guaranteed claims.

Under the RSA, Puerto Rico Municipality Depositors and on-island GDB bondholders are treated equally with off-island GDB bondholders, all as general unsecured creditors.

The RSA provides for the organized and consensual restructuring of a substantial portion of GDB's liabilities, including GDB public bonds, deposit claims by municipalities and certain non-public entities and claims under certain GDB-issued letters of credit and guarantees ("Participating Bond Claims"). In exchange for releasing GDB from liability relating to these claims, the claim-holders will receive new bonds to be issued by a new entity (the "Issuer").

In order to secure and service the new bonds, GDB will transfer to the Issuer its entire municipal loan portfolio, certain real estate assets available for sale, proceeds, among other assets, of certain public entity loans and a certain amount of cash.

The Board also unanimously approved FAFAA's request to recertify the Amended RSA as a voluntary agreement and a Qualifying Modification and consented the designation of Epiq Bankruptcy Solutions, LLC ("Epiq") as Calculation and Information Agent for the solicitation process.

The Board's most recent unanimous consent regarding its actions under Title VI of PROMESA can be found on the Board's [website](#).

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