



PRESS RELEASE

August 7, 2009

Contact: Anamari Caratini, 787-721-9166

Sale of Economic Cooperation with Puerto Rico Savings Bonds Begins Throughout the Island

Toa Baja, P.R. – Governor of Puerto Rico, Luis G. Fortuño, announced today the beginning of the sale of the *Economic Cooperation with Puerto Rico Savings Bonds*, and he used the facilities of the Abraham Rosa Cooperative, in Toa Baja, as backdrop for this important initiative.

“Citizens who want to purchase *Savings Bonds* can now do it at credit unions and cooperative savings banks, commercial banks and Treasury Department collection offices. People will no longer need to travel to the Metropolitan Area to support Puerto Rico’s reconstruction. Now the savings bonds can be obtained near their homes,” the Governor explained.

Savings Bonds will be available at a variety of points of sale throughout the Island through 11 cooperatives (encompassing 29 branches), 31 Department of Treasury collections offices, and commercial bank branches—including Banco Popular de Puerto Rico (47 branches), Eurobank (27), Firstbank (49), Oriental Bank and Trust branches (24), and Scotiabank (18). People who have no relation to these commercial banks or credit unions may get their savings bonds through the Treasury collections offices.

The minimum purchase for the *Savings Bonds* is \$100.00. After purchasing that amount, bonds are available in \$50.00-denominations up to a maximum of \$5,000.00. The payment can be made in cash, by money order, manager’s checks or debit card transactions. This savings instrument will be available until the total of \$20 million, approved by Act No. 7, is sold.

“We are very pleased with the reception the savings bonds have received so far. The sale began in May, when the only point of sale was the Government Development Bank. Until now, we have sold \$944,350.00. This investment will pay a six percent (6%) annual interest rate and each bond will come to term five years from the date it was issued,” Carlos García, President of the Government Development Bank for Puerto Rico, explained.

The Governor stated that “the *Savings Bonds* are a tool that works to support Puerto Rico’s economic recovery while also encouraging savings among Puerto Ricans. The bonds work both as a personal investment and as a gift for relatives and friends.”

The Bonds may be purchased by all the people who have a social security number or reliable evidence of it, and who are *bona fide* residents of Puerto Rico. In order to make a purchase, the interested person must be older than 21 years and he/she will need to show a current ID card with photo and signature, issued by the governments of Puerto Rico, of the United States of America or of one of the fifty states of the Union.

In order to purchase Savings Bonds as presents, the buyer must be older than 21 years and show the same evidence as any other buyer. However, in addition, the buyer must also present the same form of original documentation of the person who will receive the Savings Bonds as a gift. If the person who is the recipient of the Bond as a gift is a minor who cannot meet the ID requirements, the purchasing adult may present an original birth certificate, along with the recipient’s social security number or authentic evidence of it.

García added that “the *Bonds* will be issued in electronic format, without physical certificates, and they will be registered in books that will be kept for such purpose by the Government Development Bank.”

Buyers will not receive the *Savings Bonds* physically. Instead, they will receive a receipt as evidence of the acquisition, which the buyer will be able to show following the bonds’ expiration date or on their redemption date. The receipt is identified through a unique number and indicates, among other things, the dates of purchase and expiration of the savings bond, the names of the buyer and the beneficiary, as well as the amount purchased. GDB will maintain a registry of the owners of these bonds, which will contain the information gathered at the time of purchase. The electronic registry will also have the amount of the bonds purchased and their expiration date. However, having the receipt will not be necessary at redemption time, only a valid ID.

To get more detailed information, please, call 787-722-2525 ext. 2063, visit www.bgfpr.com or visit commercial banks, credit unions or cooperative savings banks or Treasury collection offices that have Savings Bonds for sale.

On other issues, the Governor took advantage of the opportunity to also announce that the Public Corporation for the Supervision and Insurance of Puerto Rico Cooperatives (COSSEC, for its initials in Spanish) has approved increasing to \$250,000 the insurance coverage of shares and deposits at Puerto Rico credit unions and cooperative savings banks.

In the Island, credit unions and cooperative savings banks have more than 900,000 members and more than \$6.5 billion in deposits and shares. The Island

has 123 credit unions and cooperative savings banks that benefit from COSSEC's insurance coverage.

"I want to congratulate COSSEC's excellent work. It took this vanguard step following five months of study, analysis and hard work. All criteria was taken into account before approving the increase, including the credit unions' condition and COSSEC's financial condition, as well as the controlled and measurable risks that the cooperative sector has taken during these hard times," the Governor informed.

More than a million credit union members will benefit from this insurance; it will be a step forward and it shows the potential of this model as a real financing alternative. Credit unions and cooperative savings banks will have nothing to envy from other financial institutions.

"I am firmly convinced that the cooperative movement is an integral part of Puerto Rico's economic development, as it provides one of the best opportunities to develop a small or medium sized company, as well as to develop strategic projects in the future, such as public-private partnerships," the Governor concluded.

###