



March 18, 2015

## **PUERTO RICO HIGHWAYS AND TRANSPORTATION AUTHORITY COMMENTS ON REFINANCING OF SHORT-TERM BANs**

### *HTA Completes Refinancing of Short-Term BANs through PRIFA*

San Juan, P.R. – The Puerto Rico Highways and Transportation Authority (“HTA”) today commented on Act Num. 29 of 2015, which was signed by Governor Alejandro Garcia Padilla on March 13<sup>th</sup>. The Act, which amends Act Num. 1 of 2015, facilitated the successful refinancing of short-term bond anticipation notes issued by the HTA (“HTA BANs”) in August 2013 and the transfer to the Puerto Rico Infrastructure Financing Authority (“PRIFA”) as a means to provide HTA with near-term debt relief, enhance its liquidity and promote its long-term self-sufficiency.

To redeem and retire the HTA BANs due September 1, 2015, PRIFA issued \$246 million principal amount of PRIFA Bond Anticipation Notes (“PRIFA BANs”) to RBC Capital Markets, who purchased the securities to be held by one of its affiliates. The PRIFA BANs mature in May 1, 2017, which represents a maturity extension when compared to the HTA BANs of approximately two years, with the first four months of principal held in abeyance. The new PRIFA Notes bear an initial interest rate of 8.25% with principal sinking fund payments beginning July 1, 2015. The PRIFA Notes are secured by a pledge of \$6.25 of the new tax on non-diesel petroleum products and are guaranteed by the full faith and credit of the Commonwealth of Puerto Rico. As part of this transaction, the holders of the HTA BANs released all liens on pledged HTA revenues. The PRIFA BANs are currently expected to be refinanced prior to maturity with the proceeds of a long-term PRIFA bond issuance.

