

FINANCIAL OVERSIGHT & MANAGEMENT BOARD FOR PUERTO RICO



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BY ELECTRONIC MAIL

May 19, 2022

The Honorable Pedro Rafael Pierluisi Urrutia
Governor of Puerto Rico

Honorable José Luis Dalmau Santiago
President of the Senate of Puerto Rico

Honorable Rafael Hernández Montañez
Speaker of the house of Representatives of Puerto Rico

Dear Governor Pierluisi, President Dalmau, and Speaker Hernández,

We write to you to provide the schedule for submitting, approving, and certifying the second amended Fiscal Year 2022 Budget for the Commonwealth of Puerto Rico (the “Second Amended Budget”).

Pursuant to the HTA/CCDA Plan Support Agreement and paragraph 52 of the Commonwealth Confirmation Order HTA is required to make certain one-time payments to creditors. The Commonwealth has agreed to extend a loan to HTA to cover a portion of these payments and the FY2022 Budget Amendment certified on February 22, 2022 included an appropriation of \$314,000,000 for the funding of the loan to HTA. There is currently a need to increase the amount of the loan by \$48,000,000 to address agreements associated with the HTA proposed plan of adjustment and this increase needs to be included in the budget for FY2022, in accordance with PROMESA. Pursuant to Section 202(a) of PROMESA, the schedule is as follows:

- May 19, 2022, by 6.00 pm AST – Pursuant to § 202(c)(1), the Governor submits a proposed Second Amended Budget.
- May 20, 2022, by 6.00 pm AST – Pursuant to § 202(c)(1)(B), the Oversight Board sends the Governor a notice of violation if it determines that the proposed Second Amended Budget is not compliant.

Governor Pierluisi Urrutia

May 19, 2022

Page 2 of 2

- May 23, 2022, by 12.00 pm AST – Pursuant to § 202(c)(2), the Governor submits a revised proposed Second Amended Budget, as needed.
- May 23, 2022, by 6.00 pm AST – Pursuant to § 202(c)(2), the Oversight Board submits a compliant Second Amended Budget to the Governor and Legislature.
- May 26, 2022 – Pursuant to § 202(d)(1), the Legislature submits a proposed adopted Second Amended Budget to the Oversight Board.
- May 27, 2022 – Pursuant to § 202(d)(1)(B), the Oversight Board sends the Legislature a notice of violation, as needed.
- May 31, 2022 – Pursuant to § 202(d)(2), the Legislature submits a revised adopted Second Amended Budget to the Oversight Board, as needed.
- On or before June 1, 2022 – Pursuant to § 202(e), the Oversight Board certifies the Second Amended Budget.

To the extent possible, the Oversight Board expects to certify Second Amended Budget pursuant to § 202(f), which provides for the joint development of budgets, while maintaining the schedule outlined above. Please be advised that any changes to the budget, other than to increase the loan amount to HTA, will not be deemed compliant with the Fiscal Plan.

The Oversight Board looks forward to working with you to accomplish the requirements and goals of PROMESA for the benefit of the people of Puerto Rico.

Sincerely,



Jaime A. El Koury
General Counsel

CC: Hon. Omar Marrero Diaz
Mr. Juan Carlos Blanco
Hon. Francisco Parés