

**Congress of the United States**  
**Washington, DC 20515**

March 8, 2018

The Honorable Steven T. Mnuchin  
Secretary of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

Dear Secretary Mnuchin:

As you negotiate the terms of the Community Disaster Loan (CDL) with the government of Puerto Rico, we request that you act to help Puerto Rico and any other state or territory in a similarly desperate fiscal condition obtain the necessary funds to provide essential services. We are concerned by reports of reduced loan amounts and repayment requirements, and believe you must ensure that your proposed terms and conditions help—instead of hurt—Puerto Rico. In particular, we urge you to take action on several provisions of the loan that will help Puerto Rico have the necessary funds to prevent any interruption of public services such as electricity, water, education, and security.

The Governor of Puerto Rico has informed us that the Treasury Department has delayed the Community Disaster Loan process for more than four months. This unnecessary and unreasonable delay has forced the government of Puerto Rico to rely on its own limited funds to provide an emergency loan to the Puerto Rico Electric Power Authority (PREPA). This loan would allow PREPA to continue its operations and avoid power outages to the residents of the island. Since PREPA's cash reserves—which are used to pay employees and purchase fuel for electricity production—are extremely low, human lives are at risk.

It is also extremely disturbing to find out that the will of the Congress enacted into law in providing approximately \$4.7 billion to Puerto Rico is being ignored. It is incomprehensible why the Department reduced the amount of the loan from \$4.7 billion to just \$2.06 billion. At a time when people on the island are hurting, it is unconscionable to not provide maximum relief to American citizens at the hour of their greatest need. Unfortunately, the Treasury Department seems more concerned with repayment of the loan than in providing emergency liquidity relief to an island battered by two hurricanes and 11 years of recession. The *Additional Supplemental Appropriations for Disaster Relief Requirements Act* (P.L. 115-72), gives the Secretary of Homeland Security—in consultation with the Secretary of the Treasury—the power to determine the terms, conditions, eligible uses, and timing and amount of the loans, but it also provides that such loans may be cancelled in whole or in part at the discretion of the Secretary of Homeland Security in consultation with the Secretary of the Treasury. In adding the latter provision, Congress recognized the possibility of debt forgiveness in case the territory is unable to repay the loan, and in fact, this is what the federal government has done in most previous instances with community disaster loans.

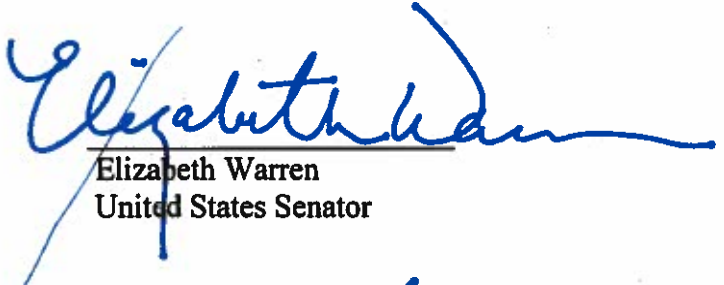
Unfortunately, Puerto Rico remains in deep fiscal distress. The Department of the Treasury should—instead of acting like a bank or hedge fund in the quest for profit—offer a helping hand by offering generous terms on the loan in order to incentivize a quick recovery on the island. To

this date, more than six months after Hurricanes Irma and Maria struck the island almost 20 percent of the people of Puerto Rico have no power. More than 300,000 people have left the island and many more will do so unless the federal government does more to provide relief. Fully funding a loan at \$4.7 billion will help the Puerto Rican government and its 78 municipalities provide basic services for its residents and prevent a mass exodus. Absent such a request, it seems likely that the Puerto Rican government will simply not have the necessary funds to operate at full capacity.

It is time for the Treasury Department to act in good faith and help the people of Puerto Rico. We expect this situation to be resolved in a prompt manner and appreciate your cooperation.

Sincerely,

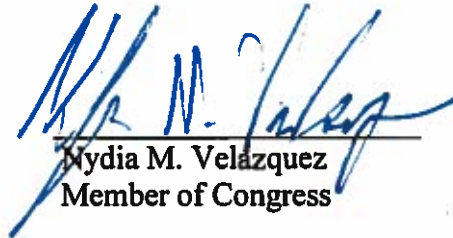
  
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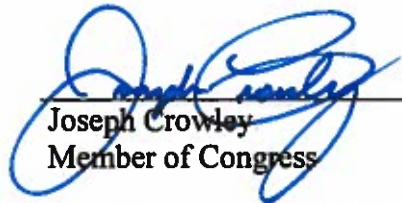
  
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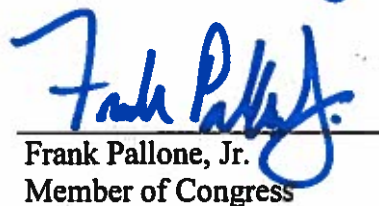
  
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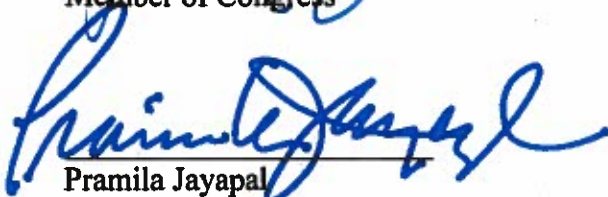
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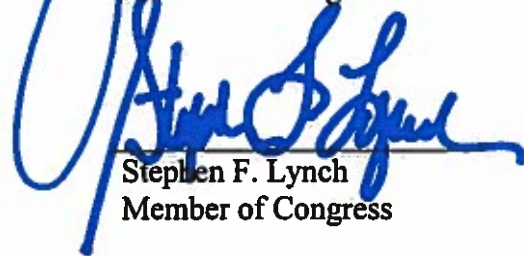
  
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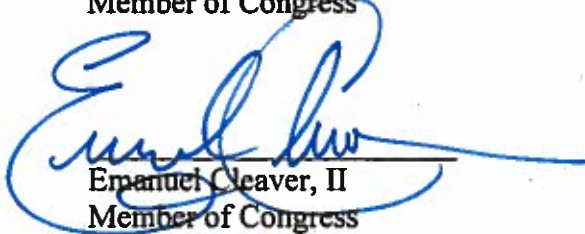
  
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