

COMMONWEALTH OF PUERTO RICO  
OFFICE OF THE GOVERNOR  
SAN JUAN, PUERTO RICO

Administrative Bulletin No. 5043

**EXECUTIVE ORDER FROM THE GOVERNOR OF PUERTO RICO  
DESIGNATING THE PUERTO RICO HOUSING FINANCE CORPORATION,  
A SUBSIDIARY OF GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO  
TO ACT AS STATE HOUSING CREDIT AGENCY PURSUANT TO SECTION 42  
OF THE INTERNAL REVENUE CODE OF 1986 AS ENACTED BY  
BY THE TAX REFORM ACT OF 1986 (PUBLIC LAW 99-514)**

WHEREAS, Section 42 of the Internal Revenue Code of 1986, as enacted by the Tax Reform Act of 1986 (Public Law 99-514) provides that low income housing credits could be claimed allowed and in any taxable year, to the extent that, the owner of a qualified low income rental building is eligible to receive a housing credit allocation from a State Housing Credit Agency; and

WHEREAS, temporary regulations dated June 26, 1987 have been published under 26 CFR Part I (Income Taxes; Low Income Housing Credit) to provide guidance in the implementation of the Act; and

WHEREAS, Section 1.42-IT paragraph C of 26 CFR Part I provides that a State Credit Agency should be specifically authorized by gubernatorial act or State statute to make housing credit allocations on behalf of the State; and

WHEREAS, the Puerto Rico Housing Finance Corporation (the Corporation) is a public agency of the central government of Puerto Rico and a wholly-owned subsidiary of Government Development Bank for Puerto Rico. The Corporation was originally chartered in 1977 to provide public and private housing developers with interim and permanent financing through mortgage loan for the construction, improvement, operation and maintenance of rental housing for low-and moderate-income families; and since its inception the Corporation was authorized by the U.S. Department of Housing and Urban Development as a State Housing Finance and Development Agency to act as Contract Administrator for Rental Housing Assistance Payments under the Section 8 Subsidy Programs; and

WHEREAS, in April 1986 the Corporation was authorized by the Federal Department of Housing and Urban Development to act as Approved Mortgage, both for multi-family rental units and single-family homes for sale; and

WHEREAS, the Corporation has been appointed as Administrator of the New Housing Operation approved by the Legislature of the Commonwealth of Puerto Rico pursuant to

Act. No. 47 of June 26, 1987 a new low cost housing program that, among other things, provide income and property tax exemptions to developers; and

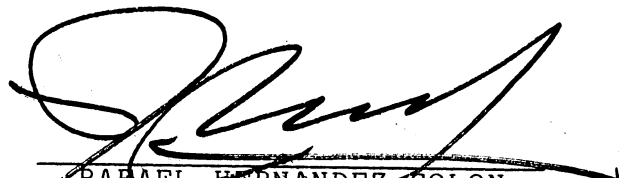
WHEREAS, in December 1987 the Corporation has been authorized as Servicer and Issuer for the Government National Mortgage Association; and

WHEREAS, it is now necessary to designate a State Housing Credit Agency to undertake all the inherent rights, obligations, and responsibilities pursuant, to Section 42 of the Internal Revenue Code of 1986 as enacted by the Tax Reform Act of 1986 (Public Law 99-514), and to all regulations derived from said act; now therefore,

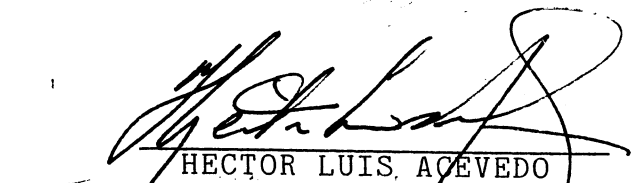
I, Rafael Hernández Colón, Governor of the Commonwealth of Puerto Rico, hereby designate the Puerto Rico Housing Finance Corporation, a subsidiary of the Government Development Bank for Puerto Rico, as the State Housing Credit Agency under the provisions of Section 42 of the Internal Revenue Code of 1986, as enacted by the Tax Reform Act of 1986 (Public Law 99-514).

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Commonwealth of Puerto Rico, in San Juan, Puerto Rico, this 30th day of December, 1987.



  
RAFAEL HERNANDEZ COLON

Promulgated according to the law, this 30th day of December, 1987.

  
HECTOR LUIS ACEVEDO  
SECRETARY OF STATE