

Update to Joint Resolution of the Senate Regarding Payment Moratoriums

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PRACTICE AREAS

- Government Affairs & Public Policy

An McV Government Affairs Alert

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Further to the **Government Affairs Alert** sent yesterday about the proposed Joint Resolution of the Senate Number 489 regarding payment moratoriums, the House of Representatives approved the House's Bill Number 1263 ("PC 1263") instead of entertaining the JRS 489.

This Bill, originally proposed back in October 4, 2017, is titled "**Social Welfare and Economic Relief During Natural Disasters Act**" and allows for the postponement of mortgage, personal, and auto loans and credit card payments for ninety (90) days upon the client's request.

As currently drafted, PC 1263 states that:

- In order for the provisions of the Act to come into effect, the Governor of Puerto Rico must first declare a state of emergency.
- Upon such declaration, all banking and financial institutions doing business in Puerto Rico will establish a repayment plan for the postponed payments for a term of no less than sixty (60) days.
- Likewise, the financial institutions are prohibited from collecting late fees and from commencing any collection efforts, including the filing of complaints and foreclosure proceedings during this period.

It is important to point out that although JRS 2020-489 was not approved by the House of Representatives yesterday, it is still pending approval. As for PC 1263, it will now be discussed and voted upon in the Senate.

As soon as these processes conclude we will send another update. In the meantime, should you have any questions please contact any of the attorneys of the McV Emergency Task Force listed below. They are diligently working remotely and can be reached by email or by phone.

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