

AMENDMENT TO H.R. 5278
OFFERED BY MR. FLEMING OF LOUISIANA

Add at the end of title IV the following:

1 **SEC. 410. PROHIBITION ON THE USE OF FEDERAL FUNDS**
2 **TO PAY OBLIGATIONS OF THE GOVERNMENT**
3 **OF PUERTO RICO.**

4 (a) IN GENERAL.—Notwithstanding any other provi-
5 sion of law, no Federal funds may be used to purchase
6 or guarantee obligations of, issue lines of credit to, or pro-
7 vide direct or indirect grants-in-aid to the Government of
8 Puerto Rico, if such purchase, guarantee, extension of
9 credit, or grant is made for the purpose of assisting the
10 Government of Puerto Rico in—

11 (1) avoiding defaulting on the payment of prin-
12 cipal or interest due on an obligation of the Govern-
13 ment of Puerto Rico; or

14 (2) curing such a default.

15 (b) LIMIT ON USE OF BORROWED FUNDS.—The Sec-
16 retary of the Treasury shall not, directly or indirectly, use
17 general fund revenues or funds borrowed pursuant to title
18 31, United States Code, to purchase or guarantee any
19 asset or obligation of the Government of Puerto Rico or
20 otherwise to assist the Government of Puerto Rico, if such

1 purchase, guarantee, extension of credit, or grant is made
2 for the purpose of assisting the Government of Puerto
3 Rico in—

4 (1) avoiding defaulting on the payment of prin-
5 cipal or interest due on an obligation of the Govern-
6 ment of Puerto Rico; or

7 (2) curing such a default.

8 (c) PROHIBITION ON FEDERAL RESERVE ASSIST-
9 ANCE.—Notwithstanding any other provision of law, the
10 Board of Governors of the Federal Reserve System shall
11 not provide or extend to, or authorize with respect to, the
12 Government of Puerto Rico any funds, loan guarantees,
13 credits, or any other financial instrument or other author-
14 ity, including the purchasing of the bonds of the Govern-
15 ment of Puerto Rico, or otherwise assist the Government
16 of Puerto Rico under any authority of the Board of Gov-
17 ernors, if such purchase, guarantee, extension of credit,
18 or grant is made for the purpose of assisting the Govern-
19 ment of Puerto Rico in—

20 (1) avoiding defaulting on the payment of prin-
21 cipal or interest due on an obligation of the Govern-
22 ment of Puerto Rico; or

23 (2) curing such a default.

1 (d) LIMITATION.—Subsections (a) through (c) shall
2 not apply to Federal assistance provided in response to
3 a natural disaster.

