

P R E S S R E L E A S E

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FOR IMMEDIATE RELEASE

GOVERNMENT DEVELOPMENT BANK REPORTS PUBLIC HOUSING ADMINISTRATION ISSUE RECEIVES BOND BUYER INNOVATIVE MUNICIPAL BOND FINANCING AWARD

SAN JUAN, PUERTO RICO, December 2, 2008 – The Government Development Bank for Puerto Rico reported today that The Bond Buyer, a leading stateside daily newspaper covering the municipal finance industry, has named the Puerto Rico Housing Finance Authority (PRPHA) as one of the nation’s most innovative municipal-bond issuers for 2008.

The publication specifically singled out the Authority’s \$384 million capital fund modernization program subordinate bond issue that, it noted, “raised money to help finance modernization of more than 4,000 units of public housing.”

Luis Alfaro, GDB’s Executive Vice President of Finance, will receive the award on behalf of the GDB and the Housing Finance Authority this Wednesday night, December 3, 2008, at an awards ceremony in New York City. The award singled out PRPHA as the Northeast Large Issuer, making the Authority one of eight regional finalists eligible to receive the Bond Buyer’s Deal of the Year award, which will also be announced on December 3.

“We are very pleased to receive this award, which is a reflection of the efforts of all of us in Puerto Rico and our strong standing in the municipal market,” said Mr. Alfaro. “In the municipal world, the Bond Buyer has an important presence and their recognition of PRPHA and its innovativeness is greatly appreciated.”

The financing was part of a financial agreement with the U.S. Department of Housing and Urban Development (HUD) and the Puerto Rico Public Housing Administration (PRPHA) designed to permit the modernization and construction of more than 4,000 public housing units, in which PRPHA qualified for \$235million in tax credits to accelerate the ongoing efforts to modernize public housing.

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