

June 22, 2009

Summary:

Puerto Rico Housing Finance Authority; Single Family Multiple MBS

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Summary:

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Credit Profile

Puerto Rico Hsg Fin Auth affordable hsg mtg subsidy prog sin fam mtg rev bnds portfolio IX

Long Term Rating

AAA

Affirmed

Rationale

Standard & Poor's Ratings Services affirmed its 'AAA' rating on Puerto Rico Housing Finance Authority's affordable housing mortgage subsidy program single-family mortgage revenue bonds portfolio IX. The rating reflects our view of the following:

- Extremely strong mortgage collateral consisting of Ginnie Mae, Fannie Mae, and Freddie Mac single-family mortgage-backed securities;
- Investment commensurate with the 'AAA' rating;
- Oversight of the Puerto Rico Housing Finance Authority; and
- An asset-to-liability ratio of 101.12 as of Feb. 28, 2009.

The bonds were issued to provide funds for the purchase of mortgage certificates backed by pools of mortgage loans. These loans were extended to low- and moderate-income individuals for the purchase of qualifying properties in Puerto Rico.

The bonds are subject to mandatory and optional redemptions. Interest accrues at a fixed rate and the bonds are comprised of serial and term maturities. Interest is paid semi-annually on June 1, and Dec. 1. Money in the revenue fund is invested in an investment agreement provided by Natixis Funding Corp (A+/Stable/A-1), which benefits from the guarantee of Caisse des Depots et Consignations (AAA/Stable/A-1).

Related Research

USPF Criteria: "Single-Family Mortgage-Backed Securities Programs," June 13, 2007

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