

AN ACT

TO CREATE THE DEVELOPMENT BANK OF PUERTO RICO; TO PRESCRIBE ITS POWERS, DUTIES, RIGHTS, OBLIGATIONS, PRIVILEGES, IMMUNITIES, CONSTITUTION, AND STATUS; TO AUTHORIZE IT TO ACCEPT GOVERNMENTAL AND PRIVATE DEPOSITS; TO LOAN MONEY AND TO ISSUE BONDS AS WELL AS PROMISSORY NOTES AND OTHER OBLIGATIONS FOR THE PAYMENT OF THE SAME; TO LOAN MONEY FOR INDUSTRIAL AND COMMERCIAL PURPOSES AND FOR AGRICULTURAL PURPOSES INCIDENTAL THERETO; TO REGULATE THE TERMS AND CONDITIONS FOR LENDING MONEY AND MAKING LOANS, THE ACQUISITION, POSSESSION, OWNERSHIP, USE, AND DISPOSAL OF PROPERTY OF VARIOUS KINDS, AND ALL OTHER INTERNAL AND EXTERNAL AFFAIRS OF THE BANK; TO AUTHORIZE IT TO ENGAGE IN GENERAL BANKING BUSINESS; TO PROVIDE FUNDS THEREFOR, AUTHORIZING AND DIRECTING THE GOVERNOR OF PUERTO RICO TO ISSUE THE CHARTER OF SAID BANK; TO PROVIDE THAT THE BANK CANNOT BEGIN OPERATIONS UNTIL IT IS AUTHORIZED TO DO SO BY THE LEGISLATURE OF PUERTO RICO, AND FOR OTHER PURPOSES.

*Be it enacted by the Legislature of Puerto Rico:*

Section 1.—A public corporation is hereby created which shall be known by the name of *Development Bank of Puerto Rico*.

Section 2.—The purpose of the Development Bank of Puerto Rico shall be to attain, or to help in the realization of, the complete development of the human and economic resources of Puerto Rico by engaging in general banking business.

Section 3.—The Development Bank of Puerto Rico shall be a nonprofit instrumentality of the Insular Government; the incorporators thereof shall be the members of the Executive Council of Puerto Rico. It shall have such powers, duties, rights, obligations, privileges, immunities, constitution, and status as may be prescribed in the charter that the Governor of Puerto Rico is hereby authorized and directed to issue within sixty days from the date this Act takes effect. Said charter may include, but without limitation, power and authority to accept government and private deposits, to lend money and to issue bonds, as well as promissory notes and other obligations for the payment of the same, to lend money for industrial and commercial purposes and for agricultural purposes incidental thereto, and it may regulate the terms and conditions for accepting deposits, loaning money, and making loans for acquisition, possession, ownership, use, and disposal of various kinds of property, and all other internal and external affairs of the bank; *Provided, however,* That when said charter is issued in accordance with the terms of this Act, the bank shall proceed to perfect its internal organization and to ultimate the plans and arrangements necessary for beginning its business, but it cannot accept deposits, borrow or

lend money, or in any other way engage in general banking business unless and until it is authorized to do by the Legislature of Puerto Rico.

Section 4.—In making loans or otherwise extending credit, preference and priority shall be given, when all other factors are equal, to the Puerto Rico Development Company and to enterprises recommended by said company, so that it may effect the most diverse industrial and commercial development of the Island.

Section 5.—The debts or obligations of said corporate entity shall not be debts or obligations of The People of Puerto Rico or of any of its municipalities or other political subdivisions; and neither The People of Puerto Rico nor any of its municipalities and other political subdivisions shall be responsible for the same.

Section 6.—For the purpose of carrying out the provisions of this Act, the sum of five hundred thousand (500,000) dollars is hereby appropriated from any funds in the treasury not otherwise appropriated, which sum shall be transferred on order of the Governor, to the Development Bank of Puerto Rico.

Section 7.—The object of this Act is not to repeal, nor shall be interpreted as repealing, any law in force relative to the establishment of a bank for the Insular Government. Nor shall such law be interpreted, in its turn, as amending or in any way affecting this Act.

Section 8.—If any provision of this Act or its application to any person or circumstances is declared null, it shall not affect the rest of the Act or the application of said provision to persons or circumstances different from those with respect to which it was declared null.

Section 9.—This Act shall take effect ninety days after its approval.

*Approved, May 13, 1942.*

[Transcribed from Laws of Puerto Rico, 1942]