

**No. 17402**

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**UNITED STATES OF AMERICA  
and  
PARAGUAY**

**Agreement relating to housing loan guaranty. Signed at  
Asunción on 15 August 1977**

*Authentic texts: English and Spanish.*

*Registered by the United States of America on 14 December 1978.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
PARAGUAY**

**Accord de garantie d'un emprunt destiné au financement de  
la construction de logements. Signé à Asunción le  
15 août 1977**

*Textes authentiques : anglais et espagnol.*

*Enregistré par les États-Unis d'Amérique le 14 décembre 1978.*

UNITED STATES OF AMERICA, AGENCY FOR INTERNATIONAL DEVELOPMENT, WITH THE REPUBLIC OF PARAGUAY, ASUNCIÓN, PARAGUAY, GUARANTY AGREEMENT<sup>1</sup> OF THE REPUBLIC OF PARAGUAY

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Dated as of August 15, 1977

Housing Guaranty Project 526-HG-001

GUARANTY AGREEMENT OF THE REPUBLIC OF PARAGUAY

This AGREEMENT dated as of August 15, 1977, between the REPUBLIC OF PARAGUAY ("Paraguay") and the UNITED STATES OF AMERICA, acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.").

WHEREAS, pursuant to a Loan Agreement dated as of August 15, 1977 ("Loan Agreement"); among Banco Nacional de Ahorro y Préstamo para la Vivienda ("Borrower") and Federal Home Loan Bank of New York ("Investor"), Borrower may borrow up to four million United States Dollars (\$4,000,000) ("Loan") evidenced by Borrower's 8.35% promissory notes ("Notes");

WHEREAS, in accordance with the terms and conditions of the Implementation Agreement dated as of August 15, 1977 ("Implementation Agreement"); between Borrower and A.I.D., Borrower will use the proceeds of the Loan for financing housing in various areas throughout Paraguay;

WHEREAS, in consideration of and in reliance on the guaranty of Paraguay provided herein and the guaranty fee provided in the Implementation Agreement, A.I.D. has agreed to guaranty the loans to be made pursuant to the Loan Agreement in accordance with the terms and conditions of a Contract of Guaranty between A.I.D. and Investor dated as of August 15, 1977 ("Contract of Guaranty");

Now, THEREFORE, Paraguay and A.I.D. hereby agreed as follows:

*Article I. REPUBLIC OF PARAGUAY GUARANTY*

1. The full faith and credit of Paraguay is irrevocably and unconditionally pledged to guaranty to A.I.D. the due and punctual payment to A.I.D. in U.S. dollars of:

- (a) Any amounts of principal, interest and other payments due under the Notes or Loan Agreement which A.I.D. pays to Investor pursuant to the Contract of Guaranty;
- (b) The A.I.D. guaranty fee and other amounts (if any) due from Paraguay under the Implementation Agreement.

2. Such full faith and credit guaranty shall not be affected or impaired for any reason whatsoever, including without limitation:

- (a) Any amendment, Modification or waiver of the Loan Agreement, the Notes, the Contract of Guaranty, the Implementation Agreement or this Agreement; or

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<sup>1</sup> Came into force on 15 August 1977 by signature.

- (b) Any defect in the authorization, execution, delivery or enforceability of the Loan Agreement, Notes, Contract of Guaranty, the Implementation Agreement or this Agreement; or
- (c) Any law, regulation or decree now or hereafter in effect in any jurisdiction which might in any manner affect the time of payment of the Notes or any terms or provisions of the Loan Agreement, the Notes, the Contract of Guaranty, the Implementation Agreement or this Agreement, or any of the rights of A.I.D. under the foregoing.

3. No payments to be made by or on behalf of Paraguay to Investor pursuant to the Loan Agreement or the Notes, or to any assignee, transferee or pledgee of Investor not doing business in Paraguay, or payments to A.I.D. hereunder or of the A.I.D. guaranty fee, are subject to income, withholding or other taxes whatsoever of Paraguay or of any municipality, political subdivision or taxing authority thereof; and all such payments may be made free and clear of, and without deduction for, any and all taxes, levies, imposts, deductions or withholding whatsoever imposed, levied, collected or assessed thereon by the Republic of Paraguay or by any municipality, political subdivision or taxing authority thereof.

#### *Article II. ENGLISH AND SPANISH VERSIONS*

This Agreement has been signed in both English and Spanish; however, in case of difference in meaning between the English and the Spanish versions, the English version shall be used to resolve any differences in interpretation.

#### *Article III. OBLIGATIONS OF A.I.D.*

In consideration of the foregoing Guaranty by Paraguay, A.I.D. hereby covenants that it will perform its obligations under the Contract of Guaranty in accordance with its terms.

IN WITNESS WHEREOF, the Republic of Paraguay and A.I.D., each acting through duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the date first above written.

Republic of Paraguay:  
República del Paraguay:

[Signed — Signé]

CÉSAR BARRIENTOS  
Minister of Finance  
Ministro de Hacienda

EN FE DE LO CUAL, la República del Paraguay y A.I.D., por medio de sus Representantes debidamente autorizados, celebran este Convenio en sus nombres en la fecha mencionada en primer lugar.

United States of America:  
Estados Unidos de América:

[Signed — Signé]

GEORGE W. LANDAU  
Ambassador  
Embajador

[Signed — Signé]

ABE M. PEÑA  
Director  
USAID Mission to Paraguay  
Misión Económica de los EE.UU.  
en el Paraguay

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