

SECURITIES AND EXCHANGE COMMISSION

FORM S-3

Registration statement for specified transactions by certain issuers

Filing Date: **1999-07-27**
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([HTML Version](#) on secdatabase.com)

FILER

DORAL FINANCIAL CORP

CIK: **840889** | IRS No.: **660312162** | State of Incorporation: **PR** | Fiscal Year End: **1231**
Type: **S-3** | Act: **33** | File No.: **333-83877** | Film No.: **99671280**
SIC: **6162** Mortgage bankers & loan correspondents

Mailing Address
1159 FRANKLIN D
ROOSEVELT AVE
SAN JUAN PR 00920

Business Address
1159 FRANKLIN D
ROOSEVELT AVENUE
SAN JUAN PR 00920
8097497100

DORAL PROPERTIES INC

CIK: **1091691** | IRS No.: **660572283**
Type: **S-3** | Act: **33** | File No.: **333-83877-01** | Film No.: **99671281**

Mailing Address
1159 FRANKLIN D
ROOSEVELT AVE
SAN JUAN PR 00920

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As filed with the Securities and Exchange Commission on July 27, 1999
 Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
 WASHINGTON, D.C. 20549

FORM S-3
 REGISTRATION STATEMENT
 UNDER
 THE SECURITIES ACT OF 1933

DORAL FINANCIAL CORPORATION
 (Exact name of co-registrant as specified in its charter)

<TABLE>
 <CAPTION>
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<C>

COMMONWEALTH OF PUERTO RICO (State or other jurisdiction of incorporation or organization)	66-0312162 (I.R.S. Employer Identification Number)
--	--

</TABLE>

1159 FRANKLIN D. ROOSEVELT AVENUE
 SAN JUAN, PUERTO RICO 00920
 (787) 749-7100

(Address, including zip code, and telephone number, including area code, of
 registrant's principal and executive offices)

DORAL PROPERTIES, INC.
 (Exact name of co-registrant as specified in its charter)

<TABLE>
 <CAPTION>

COMMONWEALTH OF PUERTO RICO (State or other jurisdiction of incorporation or organization)	66-0572283 (I.R.S. Employer Identification Number)
--	--

</TABLE>

1159 FRANKLIN D. ROOSEVELT AVENUE
 SAN JUAN, PUERTO RICO 00920
 (787) 749-7100

(Address, including zip code, and telephone number, including area code, of
 registrant's principal and executive offices)

 SALOMON LEVIS, CHIEF EXECUTIVE OFFICER
 DORAL FINANCIAL CORPORATION
 1159 FRANKLIN D. ROOSEVELT AVENUE
 SAN JUAN, PUERTO RICO 00920
 (787) 749-7100

(Name, address, including zip code, and telephone number, including area code,
 of agent for service)

 COPIES TO:

<TABLE>

<S>	<C>	<C>
IGNACIO ALVAREZ, ESQ. EDUARDO J. ARIAS, ESQ. PIETRANTONI MENDEZ & ALVAREZ LLP SUITE 1901, BANCO POPULAR CENTER 209 MUNOZ RIVERA AVENUE SAN JUAN, PUERTO RICO 00918 (787) 274-1212	JULIO L. AGUIRRE, ESQ. FIDDLER GONZALEZ & RODRIGUEZ, LLP EIGHTH FLOOR 254 MUNOZ RIVERA AVENUE SAN JUAN, PUERTO RICO 00918 (787) 759-3181	JULIO PIETRANTONI, ESQ. O'NEILL & BORGES AMERICAN INTERNATIONAL PLAZA, 8TH FLOOR 250 MUNOZ RIVERA AVENUE SAN JUAN, PUERTO RICO 00918 (787) 282-5752

</TABLE>

 APPROXIMATE DATE OF COMMENCEMENT OF THE PROPOSED SALE TO THE PUBLIC: As soon
 as practicable after the effective date of this Registration Statement.

If the only securities being registered on this form are being offered
 pursuant to dividend or interest reinvestment plans, please check the following

box. []

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended, other than securities offered only in connection with dividend or interest reinvestment plans, please check the following box. []

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If delivery of the prospectus is expected to be made pursuant to Rule 434 under the Securities Act, please check the following box. []

CALCULATION OF REGISTRATION FEE

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TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT BEING REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER UNIT	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE
<S>	<C>	<C>	<C>
Undivided interests in loan to Doral Properties, Inc. made pursuant to Loan and Guaranty Agreement among Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority ("AFICA") and Co-registrants relating to certain AFICA industrial revenue bonds.....	\$44,425,000	100% (1)	\$44,425,000 (1)
Undivided interests in guaranty of Doral Financial Corporation pursuant to above-mentioned Loan and Guaranty Agreement.....	(2)	(2)	(2)

<CAPTION>

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT OF REGISTRATION FEE
<S>	<C>
Undivided interests in loan to Doral Properties, Inc. made pursuant to Loan and Guaranty Agreement among Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority ("AFICA") and Co-registrants relating to certain AFICA industrial revenue bonds.....	\$12,350.15
Undivided interests in guaranty of Doral Financial Corporation pursuant to above-mentioned Loan and Guaranty Agreement.....	(2)

</TABLE>

- (1) Estimated solely for purposes of computing the registration fee.
- (2) No additional consideration will be received for the guaranty.

THE CO-REGISTRANTS HEREBY AMEND THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE CO-REGISTRANTS SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

THE INFORMATION IN THIS OFFICIAL STATEMENT AND PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS OFFICIAL STATEMENT AND PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER

<TABLE>
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PRINCIPAL AMOUNT	INTEREST RATE	MATURITY DATE	PRICE
<S>	<C>	<C>	<C>

 \$
 \$ % Term Bonds due -- Price -- %
 \$ % Term Bonds due -- Price -- %

</TABLE>

* Preliminary, subject to change.

Prospective investors may rely only on the information incorporated by reference or contained in this official statement and prospectus. None of Doral Properties, Doral Financial, AFICA or any underwriter has authorized anyone to provide prospective investors with information different from that incorporated by reference or contained in this official statement and prospectus. This official statement and prospectus is not an offer to sell nor is it seeking an offer to buy these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this official statement and prospectus is correct only as of the date of this official statement and prospectus, regardless of the time of the delivery of this official statement and prospectus or any sale of these securities.

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SUMMARY

This summary highlights information contained elsewhere in this official statement and prospectus. You should read the entire official statement and prospectus, including the information incorporated by reference into this official statement and prospectus, and the "Risk Factors" section beginning on

DORAL PROPERTIES AND DORAL FINANCIAL

Doral Properties is a wholly-owned subsidiary of Doral Financial. Doral Properties was organized to own, develop and operate the Doral Financial Corporation Center, which will be the new headquarters of Doral Financial.

Doral Financial is the leading mortgage banking institution in Puerto Rico based on the volume of origination of first mortgage loans secured by single family residences and the size of its mortgage servicing portfolio. Doral Financial's loan production amounted to \$2.3 billion and \$702.3 million for the year ended December 31, 1998 and the quarter ended March 31, 1999, respectively. Doral Financial had a mortgage servicing portfolio of \$6.6 billion as of March 31, 1999.

Doral Financial is also engaged in the commercial banking and securities business. As of March 31, 1999, Doral Financial had total banking assets of \$1.0 billion and deposits of \$649.4 million.

Doral Financial is a bank holding company subject to regulation and supervision by the Federal Reserve Board. Unlike many bank holding companies, Doral Financial has significant operations at the holding company level. As of March 31, 1999, Doral Financial had assets of \$1.6 billion at the holding company level.

Doral Financial's principal executive offices are located at 1159 Franklin D. Roosevelt Avenue, San Juan, Puerto Rico, and its telephone number is (787) 749-7100.

THE OFFERING

Issuer..... AFICA, a Puerto Rico government instrumentality.

Bonds are limited obligations of AFICA..... AFICA is required to pay the bonds solely out of payments of principal and interest made by Doral Properties or Doral Financial to AFICA under a loan and guaranty agreement. AFICA acts as a pass-through entity so that under most circumstances, interest on the bonds will be tax free to Puerto Rico residents. The bonds do not constitute an indebtedness of the Government of Puerto Rico or of any of its political subdivisions.

Use of proceeds..... AFICA will lend the bond proceeds to Doral Properties, a wholly-owned subsidiary of Doral Financial. Doral Properties will use the loan proceeds to finance in part the construction and equipping of its new headquarters building and related facilities, to be known as the Doral Financial Corporation Center (the "Center").

Guarantor..... Doral Financial is unconditionally guaranteeing the payments by Doral Properties under the loan and guaranty agreement.

Interest on the bonds..... Interest on the bonds will be paid to you monthly on the first day of each month, commencing on , 1999. Additionally, interest will be paid to you at maturity or redemption. Interest will be computed using a 360-day year of twelve 30-day months. Interest will accrue from the date of issuance of the bonds.

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Book-entry system..... The bonds will be registered in the name of The Depository Trust Company's (DTC) nominee under DTC's book-entry only system. This means that you will not receive a certificate for any bonds you purchase.

Mandatory redemption of bonds..... A portion of the term bonds will be periodically redeemed as part of the amortization requirements of the bonds. For a schedule of term bond amortizations, see "The Bonds -- Mandatory Redemption." All of the bonds will be redeemed if (1) Doral Properties fails to comply with certain tax covenants and as a result the interest on the bonds becomes subject to federal taxation for Puerto Rico residents or (2) if the Center is not

operated in accordance with AFICA's enabling law. In addition, a portion of the bonds will be redeemed from unused bond proceeds, if any.

Optional redemption of bonds..... Doral Properties has the right to redeem all or a portion of the bonds on and after , 2004, at the following prices, expressed as a percentage of the outstanding principal of the bonds, plus interest to the redemption date:

<TABLE>
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REDEMPTION PERIOD	PRICE
-----	----
<S>	<C>
, 2004 to , 2005.....	102%
, 2005 to , 2006.....	101%
, 2006 and thereafter.....	100%

</TABLE>

Also, Doral Properties has the right to redeem some or all of the bonds, without premium, if the Center is damaged or expropriated by the government or if, as a result of changes in law, Doral Properties' operation of the Center or its obligations under the loan and guaranty agreement are adversely impacted.

Trustee..... The bonds will be issued pursuant to a trust agreement between AFICA and Citibank, N.A., as trustee.

Ratings..... Doral Financial has applied for ratings on the bonds from Standard & Poor's, Duff & Phelps and Moody's.

TAX CONSEQUENCES

Provided Doral Properties complies with the source of income covenants in the loan and guaranty agreement, it is the opinion of Fiddler Gonzalez & Rodriguez, LLP, bond counsel, that the bonds and the interest on the bonds are exempt from or not subject to:

- (1) Puerto Rico income taxes and municipal property and license taxes,
- (2) under certain circumstances, Puerto Rico gift and estate taxes, and
- (3) United States income tax when received by:
 - (a) individuals who are bona fide residents of Puerto Rico during the entire taxable year in which such interest is received, or
 - (b) foreign corporations, including Puerto Rico corporations, and the interest is not effectively connected with the conduct of a trade or business in the United States by the corporation, the corporation is not a foreign personal holding company, a controlled foreign corporation or a passive foreign investment company under the U.S. internal revenue code, and the corporation is not treated as a domestic corporation for the purposes of the U.S. internal revenue code.

SUMMARY FINANCIAL AND OPERATING DATA

You should read the summary financial information presented below together with Doral Financial's consolidated financial statements and notes which are incorporated by reference into this official statement and prospectus and with the historical financial information of Doral Financial included under "Selected Financial Data" beginning on page 11 of this official statement and prospectus.

Net income for 1994 includes the cumulative effect of a change in the method of accounting for unrealized gains and losses on trading securities. When Doral Financial adopted this new accounting pronouncement in 1994, it classified approximately \$132 million of mortgage-backed securities as trading securities and recognized a net unrealized gain of \$1.2 million.

Net income for the year ended December 31, 1997 reflects a non-cash extraordinary charge to earnings of \$12.3 million. The charge resulted from the issuance by Doral Financial to Popular, Inc., a bank holding company headquartered in San Juan, Puerto Rico, of shares of convertible preferred stock

in exchange for the cancellation of \$8.5 million of Doral Financial's subordinated convertible debentures owned by Popular, Inc. The charge was equal to the excess of the fair value of the preferred stock on the date of the exchange over the net carrying amount of the debentures on Doral Financial's financial statements. For the year ended December 31, 1997, the return on average assets ratio computed on income before this extraordinary item would have been 2.19% and the return on average common equity ratio would have been 19.29%.

The return on average assets ratio is computed by dividing net income by average total assets for the period. The return on average common equity ratio is computed by dividing net income by average common stockholders' equity for the period. Both ratios have been computed using month end averages. These ratios for the three month periods ended March 31, 1999 and 1998 have been presented on an annualized basis.

<TABLE>
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	THREE MONTHS ENDED MARCH 31,		YEAR ENDED DECEMBER 31,				
	1999	1998	1998	1997	1996	1995	1994
	(DOLLARS IN THOUSANDS)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
INCOME STATEMENT DATA:							
Net income.....	\$ 15,671	\$ 11,097	\$ 52,832	\$ 20,231	\$ 27,041	\$ 19,560	\$ 17,430
Cash dividends paid....	\$ 3,133	\$ 2,191	\$ 9,975	\$ 7,199	\$ 6,008	\$ 4,374	\$ 3,943
BALANCE SHEET DATA:							
Total assets.....	\$3,138,122	\$2,254,379	\$2,918,113	\$1,857,789	\$1,106,083	\$ 917,922	\$ 768,019
Stockholders' equity....	\$ 347,690	\$ 236,395	\$ 269,559	\$ 186,955	\$ 150,531	\$ 129,017	\$ 90,496
OPERATING DATA:							
Mortgage loans							
originated and purchased.....	\$ 702,000	\$ 387,000	\$2,313,000	\$1,037,000	\$ 817,000	\$ 636,000	\$ 824,000
Loan servicing portfolio.....	\$6,566,000	\$4,810,000	\$6,186,000	\$4,655,000	\$3,068,000	\$2,668,000	\$2,644,000
SELECTED RATIOS:							
Return on average assets.....	2.13%	2.16%	2.17%	1.37%	2.68%	2.32%	2.78%
Return on average common equity.....	21.64%	20.97%	21.65%	11.99%	19.35%	17.82%	20.82%

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CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES

The ratio of earnings to fixed charges is a measure of Doral Financial's ability to generate sufficient earnings to pay the fixed charges or expenses of its debt. The ratios of earnings to fixed charges were computed by dividing earnings by fixed charges. These computations involve Doral Financial and its subsidiaries. For purposes of computing the ratio, earnings consist of pretax income from continuing operations plus fixed charges and amortization of capitalized interest, less interest capitalized. Fixed charges consist of interest expensed and capitalized, amortization of debt issuance costs, and Doral Financial's estimate of the interest component of rental expense. The ratio is presented both including and excluding interest on deposits.

<TABLE>
<CAPTION>

	THREE MONTHS ENDED MARCH 31, 1999	YEAR ENDED DECEMBER 31,				
		1998	1997	1996	1995	1994
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Ratio of Earnings to Fixed Charges						
Including Interest on Deposits.....	1.55x	1.51x	1.61x	1.66x	1.50x	1.78x
Excluding Interest on Deposits.....	1.69	1.61x	1.72x	1.75x	1.54x	1.82x

</TABLE>

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RISK FACTORS

You should carefully consider the following factors and other information in this official statement and prospectus, including the information incorporated by reference in this official statement and prospectus, before deciding to invest in the bonds.

HOLDING COMPANY STRUCTURE MAY RESULT IN ADVANTAGE TO CREDITORS OF DORAL

Although Doral Financial has operations and assets at the parent company level, a significant portion of its assets is in its subsidiaries. The claims of creditors and preferred stockholders of Doral Financial's subsidiaries will have a priority over Doral Financial's equity rights in such subsidiaries and the rights of Doral Financial's creditors. This means that if any of Doral Financial's subsidiaries were liquidated, the creditors of the subsidiary would have the right to get paid before any of the creditors of Doral Financial, including bondholders.

ABSENCE OF SECONDARY MARKET FOR THE BONDS

There is currently no secondary market for the bonds, and there can be no assurance that a secondary market will be developed, or if it does develop, that it will provide bondholders with liquidity for their investment or that it will continue for the life of the bonds.

DORAL FINANCIAL IS NOT RESTRICTED FROM INCURRING ADDITIONAL BORROWINGS OR TAKING OTHER ACTIONS THAT COULD IMPAIR ITS ABILITY TO PAY THE BONDS

The loan and guaranty agreement between AFICA, Doral Properties and Doral Financial does not restrict Doral Financial from borrowing additional money, making capital expenditures, making acquisitions, transferring or creating liens over its assets, paying dividends or engaging in transactions with affiliates, among others. Doral Financial could take any of these actions in a way that could affect its ability to repay the bonds or result in a downgrade of the rating of the bonds.

REDEMPTION MAY ADVERSELY AFFECT YOUR RETURN ON THE BONDS

Doral Financial may choose to, in the case of optional redemption, or must, in the case of mandatory redemption, redeem some or all of the bonds at times when prevailing interest rates may be relatively low. If this happens, you generally will not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the bonds.

DORAL FINANCIAL'S CREDIT RATINGS MAY NOT REFLECT ALL RISKS OF AN INVESTMENT IN THE BONDS

Doral Financial's credit ratings are an assessment of its ability to pay its obligations. Consequently, real or anticipated changes in Doral Financial's credit ratings will generally affect the market value of your bonds. Doral Financial's credit ratings, however, may not reflect the potential impact of all risks related to market or other factors discussed above on the value of your bonds.

FLUCTUATIONS IN INTEREST RATES MAY HURT DORAL FINANCIAL'S BUSINESS

Interest rate fluctuations is the primary market risk affecting Doral Financial. Changes in interest rates affect the following areas of its business:

- the number of mortgage loans originated and purchased;
- the interest income earned on loans and securities;
- gain on sale of loans;
- the value of securities holdings; and
- the value of its servicing asset.

Increases in Interest Rates Reduce Demand for Mortgage Loans. Higher interest rates increase the cost of mortgage loans to consumers and reduce demand for mortgage loans, which hurts Doral Financial's profits. Reduced demand for mortgage loans results in reduced loan originations by Doral Financial and lower mortgage origination income. Demand for refinance loans is particularly sensitive to increases in interest rates. Doral Financial has for many years relied on refinance loans for a significant portion of its mortgage loan production. For the three months ended March 31, 1999, refinance loans represented approximately 64% of Doral Financial's total dollar volume of loans originated (excluding loans purchased from third parties).

Increases in Interest Rates Reduce Net Interest Income. Increases in short-term interest rates reduce net interest income, which is an important part of Doral Financial's earnings. Net interest income is the difference between the interest received by Doral Financial on its assets and the interest paid on its borrowings. Most of Doral Financial's assets, like its mortgage loans and mortgage-backed securities, are long-term assets with fixed interest rates. In contrast, most of Doral Financial's borrowings are short-term. When interest rates rise, Doral Financial must pay more in interest while interest earned on

its assets does not rise as quickly. This causes profits to decrease.

Increases in Interest Rates May Reduce or Eliminate Gain on Sale of Mortgage Loans. If long-term interest rates increase between the time Doral Financial commits to or establishes an interest rate on a mortgage loan and the time it sells the loan, Doral Financial may realize a reduced gain or a loss on such sale.

Increases in Interest Rates May Reduce the Value of Mortgage Loans and Securities' Holdings. Increases in interest rates may reduce the value of Doral Financial's financial assets and have an adverse impact on its earnings and financial condition. Doral Financial owns a substantial portfolio of mortgage loans, mortgage-backed securities and other debt securities with fixed interest rates. The market value of an obligation with a fixed interest rate generally decreases when prevailing interest rates rise.

Decreases in Interest Rates May Adversely Affect Value of Servicing Asset. Decreases in interest rates lead to increases in the prepayment of mortgages by borrowers, which may reduce the value of Doral Financial's servicing asset. The servicing asset is the estimated present value of the fees Doral Financial expects to receive on the mortgages it services over their expected term. Doral Financial assigns this value based on what other persons have paid for similar servicing rights in recent transactions. If prepayments increase above expected levels, the value of the servicing asset decreases because the amount of future fees expected to be received by Doral Financial decreases. Doral Financial may be required to recognize this decrease in value by taking a charge against its earnings, which causes its profits to decrease.

DORAL FINANCIAL MAY SUFFER LOSSES FROM MORTGAGE LOANS IT SELLS BUT RETAINS THE CREDIT RISK

Doral Financial often retains all or part of the credit risk on sales of mortgage loans that do not qualify for the guarantee programs of GNMA, FNMA or FHLMC and may suffer losses on these loans. Doral Financial suffers losses on these arrangements when foreclosure sale proceeds of the property underlying a defaulted mortgage loan are less than the outstanding principal balance of these loans and the cost of holding and disposing of the related property. As of March 31, 1999, Doral Financial's maximum obligation on mortgage loans it had sold but retained all or part of the credit risk was \$541.3 million.

INCREASE IN DORAL FINANCIAL'S ORIGINATIONS OF COMMERCIAL LOANS HAS INCREASED ITS CREDIT RISKS

Doral Financial's recent increase in originations of mortgage loans secured by income producing residential buildings and commercial properties has increased its credit risks. These loans involve greater credit risks than residential mortgage loans because they are larger in size and more risk is concentrated in a single borrower. The properties securing these loans are also harder to dispose of in foreclosure. For the three month period ended March 31, 1999, Doral Financial originated approximately \$51.8 million in mortgage loans secured by income producing residential buildings and commercial properties.

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DORAL FINANCIAL IS EXPOSED TO GREATER RISK BECAUSE ITS BUSINESS IS CONCENTRATED IN PUERTO RICO

Because most of Doral Financial's mortgage loans are secured by properties located in Puerto Rico, Doral Financial is exposed to a greater risk of delinquency or default on these mortgage loans resulting from adverse economic, political or business developments and natural hazard risks that affect Puerto Rico, including hurricanes and earthquakes. If Puerto Rico's real estate market experiences an overall decline in property values, the rates of delinquency, foreclosure, bankruptcy and loss on the mortgage loans would probably increase substantially. This would cause Doral Financial's profitability to decrease.

DORAL FINANCIAL'S BUSINESS WOULD BE DISRUPTED IF ITS COMPUTER SYSTEMS CANNOT WORK PROPERLY WITH YEAR 2000 DATA

Doral Financial could experience a significant disruption to its business operations that could have an adverse effect on its profitability if its computer systems and the computer systems provided by third party vendors on which it relies are not able to properly perform data calculations in the year 2000. Doral Financial is taking steps that it believes are adequate to make sure this does not happen. However, Doral Financial cannot assure you that these efforts will be completely successful. Problems suffered by providers of basic services, such as telephone, water, sewer and electricity could also have an adverse impact on Doral Financial's daily operations. Doral Financial has revised its existing business interruption contingency plans to address any interruptions of these basic services.

FORWARD-LOOKING STATEMENTS

This official statement and prospectus, including information incorporated in this official statement and prospectus by reference, contains certain "forward-looking statements" concerning Doral Financial's operations, performance and financial condition, including its future economic performance, plans and objectives and the likelihood of success in developing and expanding its business. These statements are based upon a number of assumptions and estimates which are subject to significant uncertainties, many of which are beyond the control of Doral Financial. The words "may," "would," "could," "will," "expect," "anticipate," "believe," "intend," "plan," "estimate" and similar expressions are meant to identify these forward-looking statements. Actual results may differ materially from those expressed or implied by these forward-looking statements.

RECENT DEVELOPMENTS

On July 7, 1999, Doral Financial released its unaudited earnings for the quarter and six months period ended June 30, 1999. Doral Financial reported net income of \$17.3 million or \$0.38 per diluted share for the second quarter of 1999, compared to net income of \$13.0 million or \$0.31 per diluted share for the second quarter of 1998.

For the six months ended June 30, 1999, Doral Financial reported net income of \$32.9 million or \$0.73 per diluted share, compared to net income of \$24.1 million or \$0.58 per diluted share for the first six months of 1998.

Doral Financial's mortgage loan origination and purchases were \$751 million for the quarter ended June 30, 1999 and \$1.5 billion for the six months ended June 30, 1999, compared to \$544 million for the quarter ended June 30, 1998 and \$931 million for the six months ended June 30, 1998. Doral Financial's servicing portfolio totaled \$7.0 billion as of June 30, 1999.

DORAL PROPERTIES

Doral Properties is a wholly-owned subsidiary of Doral Financial organized on July 21, 1999, under the laws of the Commonwealth of Puerto Rico. Doral Properties was organized for the purpose of owning, developing and operating the Doral Financial Corporation Center.

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DORAL FINANCIAL

Doral Financial Corporation is a bank holding company organized under the laws of the Commonwealth of Puerto Rico. Its main lines of business are described below.

- Mortgage banking -- Doral Financial is the leading mortgage banking institution in Puerto Rico based on the volume of origination of first mortgage loans secured by single family residences and the size of its mortgage servicing portfolio. Doral Financial conducts this business in Puerto Rico primarily through a division of Doral Financial, HF Mortgage Bankers, and its subsidiaries, Doral Mortgage Corporation and Centro Hipotecario, Inc. Doral Financial also conducts mortgage banking activities in the mainland United States through Doral Mortgage and its second tier subsidiary, Doral Money, Inc.
- Commercial Banking -- Doral Financial conducts this business in Puerto Rico through its subsidiary, Doral Bank. Doral Financial is in the process of opening a new federal savings bank subsidiary in the New York City metropolitan area which it expects will commence operations during the third quarter of 1999.
- Securities services -- Doral Financial conducts this business in Puerto Rico through its broker-dealer subsidiary, Doral Securities, Inc.

Because Doral Financial is a holding company, the claims of creditors and any preferred stockholders of Doral Financial's subsidiaries will have a priority over Doral Financial's equity rights and the rights of Doral Financial's creditors, including the holders of the bonds, and preferred stockholders to participate in the assets of the subsidiary upon the subsidiary's liquidation.

Doral Financial's subsidiaries that operate in the banking and securities business can only pay dividends if they are in compliance with the applicable regulatory requirements of federal and state bank regulatory authorities and securities regulators. Doral Financial must also maintain the required capital levels of a bank holding company before it may pay dividends on its stock.

There are various statutory and regulatory limitations on the extent to which Doral Bank or any other banking subsidiary (including a federal savings association) can finance or otherwise transfer funds to Doral Financial or its nonbanking subsidiaries, either in the form of loans, extensions of credit, investments or asset purchases.

- Such transfers by Doral Bank or any other banking subsidiary to Doral Financial or any nonbanking subsidiary are limited to 10% of the banking subsidiary's capital and surplus, and with respect to Doral Financial and all such nonbanking subsidiaries, to an aggregate of 20% of the banking subsidiary's capital and surplus.
- Furthermore, loans and extensions of credit are required to be secured in specified amounts and are required to be on terms and conditions consistent with safe and sound banking practices.

In addition, there are regulatory limitations on the payment of dividends directly or indirectly to Doral Financial by its subsidiaries. Federal and Puerto Rico authorities also have the right to further limit Doral Bank's payment of dividends.

Under the policy of the Board of Governors of the Federal Reserve System, a bank holding company is required to act as a source of strength to its subsidiary banks and to commit resources to support such banks. As a result of that policy, Doral Financial may be required to commit resources to Doral Bank or any other banking subsidiary created in the future in circumstances in which it might not do so absent such policy. Further, federal bankruptcy law provides that in the event of the bankruptcy of Doral Financial, any commitment by Doral Financial to regulators to maintain the capital of a banking subsidiary will be assumed by the bankruptcy trustee and entitled to priority of payment.

USE OF PROCEEDS

The bonds will be issued to finance, in part, the development, construction and equipping of the Doral Financial Corporation Center. The Center will be a nine-floor, 193,709 square feet commercial office building with an adjacent five and a half floor parking structure. It will be located on a 1.89 cuerdas site in the Puerto Nuevo ward of the municipality of San Juan, Puerto Rico, in the commercial sector of Franking D. Roosevelt Avenue.

The principal offices of Doral Financial and its subsidiaries Doral Bank, Doral Mortgage and Doral Securities will be located in the Center and the remaining space will be available for rent. At present, the available rent space is expected to be offered principally to entities who provide legal, consulting and other professional services to Doral Financial. Construction and equipping of the Center is expected to be substantially complete by the fourth quarter of 2001.

Set forth below are the estimated sources and uses of the proceeds of the bonds.

<S>	<C>
SOURCES OF FUNDS	
Gross AFICA bond proceeds.....	\$44,425,000
Cash contribution by Doral Properties (1).....	171,000

Total Sources.....	\$44,596,000
	=====
USES OF FUNDS	
Repayment of land loan.....	\$ 2,135,000
Construction fund.....	36,464,570
Capitalized interest fund (2).....	4,713,732
Costs of issuance.....	393,754
Underwriter's discount.....	666,819
AFICA fee.....	222,125

Total Uses.....	\$44,596,000
	=====

</TABLE>

- (1) Represents costs of issuance in excess of 2% of the bonds' par amount.
- (2) Represents interest on bonds during the construction of the Center.

CAPITALIZATION

The following table shows the unaudited indebtedness and capitalization of Doral Financial at March 31, 1999, on an actual basis and as adjusted to give

effect to the issuance of the bonds and the issuance on July 8, 1999 of \$200 million of Doral Financial's 8.5% Medium Term Senior Notes due July 8, 2004. In addition to the indebtedness reflected below, Doral Financial had deposits of \$649.4 million as of March 31, 1999. This table should be read together with Doral Financial's Consolidated Financial Statements and related notes incorporated by reference into this official statement and prospectus.

<TABLE>
<CAPTION>

	ACTUAL	AS ADJUSTED
	-----	-----
	(DOLLARS IN	THOUSANDS)
<S>	<C>	<C>
Short-term borrowings		
Loans payable.....	\$ 392,949	\$ 392,949
Short-term portion of notes payable.....	69,739	69,739
Short-term portion of securities sold under agreements to repurchase.....	1,107,685	1,107,685
	-----	-----
Total short-term borrowings.....	\$1,570,373	\$1,570,373
	=====	=====
Long-term borrowings		
Long-term portion of notes payable.....	\$ 54,723	\$ 54,723
Long-term portion of securities sold under agreements to repurchase.....	145,366	145,366
Advances from the Federal Home Loan Bank.....	55,500	55,500
Senior Notes due 2006.....	75,000	75,000
Medium Term Senior Notes due 2004.....	--	200,000
AFICA bonds.....	--	44,425
	-----	-----
Total Long-term Borrowings.....	\$ 330,589	\$ 575,014
	=====	=====
Stockholders' Equity		
Serial preferred stock, \$1 par value, 2,000,000 shares authorized; 8,460 shares of 8% Convertible Cumulative Preferred Stock issued and outstanding and 1,495,000 shares of 7% Noncumulative Monthly Income Preferred Stock, Series A issued and outstanding.....	\$ 1,503	\$ 1,503
Common Stock, \$1.00 par value, 50,000,000 shares authorized; 40,484,920 shares issued and 40,428,920 outstanding(1).....	40,485	40,485
Paid-in capital.....	140,822	140,822
Legal Surplus.....	2,499	2,499
Retained earnings.....	168,853	168,853
Accumulated other comprehensive income, net of taxes(2)...	(6,416)	(6,416)
Treasury Stock at par value, 56,000 shares held.....	(56)	(56)
	-----	-----
Total stockholders' equity.....	\$ 347,690	\$ 347,690
	=====	=====

</TABLE>

-
- (1) Does not include up to 1,933,714 shares of Common Stock issuable upon conversion of outstanding shares of 8% Convertible Cumulative Preferred Stock or 435,600 shares of Common Stock subject to stock options.
 - (2) Consists of unrealized losses on securities available for sale, net of deferred tax.

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SELECTED FINANCIAL DATA

The following table shows certain selected consolidated financial and operating data of Doral Financial on a historical basis as of and for the three-month periods ended March 31, 1999 and 1998, and for each of the five years in the period ended December 31, 1998. This information should be read together with Doral Financial's Consolidated Financial Statements and the related notes incorporated by reference in this official statement and prospectus. Financial information for the three-month periods ended March 31, 1999 and 1998 is derived from unaudited financial statements, which, in the opinion of management, include all adjustments necessary for a fair presentation of the results for those periods. These adjustments consist only of normal recurring accruals. Results for the three-month period ended March 31, 1999, are not necessarily indicative of results for the full year. Doral Financial has made certain reclassifications to data for years prior to 1998 to conform to 1998 classifications.

Net income for 1994 includes the cumulative effect of a change in the method of accounting for unrealized gains and losses on trading securities. When Doral Financial adopted this new accounting pronouncement in 1994, it classified approximately \$132 million of mortgage-backed securities as trading securities and recognized a net unrealized gain of \$1.2 million.

Net income for the year ended December 31, 1997, reflects a non-cash extraordinary charge to earnings of \$12.3 million resulting from the issuance to Popular, Inc., of shares of convertible preferred stock in exchange for the cancellation of \$8.5 million of Doral Financial's subordinated debentures owned by Popular, Inc. The charge represented the excess of the fair value of the preferred stock on the date of the exchange over the net carrying amount of the debentures on Doral Financial's financial statements. The return on average assets computed on income before this extraordinary item for the year ended December 31, 1997, would have been 2.19% and the return on average common equity would have been 19.29%.

The return on average assets ratio is computed by dividing net income by average assets for the period. The return on average common equity ratio is computed by dividing net income by average common stockholders' equity for the period. The average common equity to average assets ratio is computed by dividing average common stockholders' equity by average assets for the period. All ratios have been computed using month end averages. The return on average assets and average common equity ratios for the three-month periods ended March 31, 1999 and 1998, have been presented on an annualized basis. All per share information shown in the table has been adjusted to reflect two-for-one stock splits effected on August 28, 1997 and May 20, 1998.

<TABLE>
<CAPTION>

	THREE MONTHS ENDED MARCH 31,		YEAR ENDED DECEMBER 31,				
	1999	1998	1998	1997	1996	1995	1994
	(DOLLARS IN THOUSANDS, EXCEPT FOR PER SHARE DATA)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
SELECTED INCOME STATEMENT DATA:							
Interest income.....	\$ 41,738	\$ 31,044	\$ 148,051	\$ 90,131	\$ 66,987	\$ 61,907	\$ 46,508
Interest expense.....	31,876	23,202	114,786	61,438	46,443	43,380	23,252
Net interest income...	9,862	7,842	33,265	28,693	20,544	18,527	23,256
Provision for loan losses.....	295	218	883	792	797	352	300
Net interest income after provision for loan losses.....	9,567	7,624	32,382	27,901	19,747	18,175	22,956
Non-interest income...	29,792	16,470	88,340	45,286	40,846	29,930	25,535
Non-interest expense.....	21,555	11,504	60,883	35,390	29,314	26,045	29,746
Income before taxes, cumulative effect and extraordinary item.....	17,804	12,590	59,839	37,797	31,279	22,060	18,745
Income taxes.....	2,133	1,493	7,007	5,249	4,238	2,500	2,530

</TABLE>

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<TABLE>
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	THREE MONTHS ENDED MARCH 31,		YEAR ENDED DECEMBER 31,				
	1999	1998	1998	1997	1996	1995	1994
	(DOLLARS IN THOUSANDS, EXCEPT FOR PER SHARE DATA)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Income before cumulative effect and extraordinary item.....	15,671	11,097	52,832	32,548	27,041	19,560	16,215
Cumulative effect of change in accounting principle.....	--	--	--	--	--	--	1,215
Income before extraordinary item.....	15,671	11,097	52,832	32,548	27,041	19,560	17,430
Extraordinary item -- non-cash loss on extinguishment of debt.....	--	--	--	12,317	--	--	--

Net income....	\$ 15,671	\$ 11,097	\$ 52,832	\$ 20,231	\$ 27,041	\$ 19,560	\$ 17,430
Cash dividends paid.....	\$ 3,133	\$ 2,191	\$ 9,975	\$ 7,199	\$ 6,008	\$ 4,374	\$ 3,943
SELECTED BALANCE SHEET DATA:							
Mortgage loans held for sale.....	\$ 886,329	\$ 516,168	\$ 883,048	\$ 404,672	\$ 260,175	\$ 243,678	\$ 262,209
Securities held for trading, net.....	646,901	655,084	606,918	620,288	436,125	418,348	327,960
Securities held to maturity.....	185,426	137,000	190,778	143,534	107,222	77,945	66,804
Security available for sale.....	617,233	457,073	408,888	240,876	12,007	14,579	--
Loans receivable, net.....	175,073	132,152	166,987	133,055	128,766	51,355	34,809
Total assets.....	3,138,122	2,254,379	2,918,113	1,857,789	1,106,083	917,922	768,019
Loans payable and securities sold under agreements to repurchase.....	1,646,000	1,309,090	1,624,032	1,076,912	568,840	573,754	538,740
Notes payable.....	199,462	164,542	199,733	164,934	152,126	51,682	17,055
Deposits accounts....	649,378	328,419	533,113	300,494	158,902	95,740	66,471
Stockholders' equity.....	347,690	236,395	269,559	186,955	150,531	129,017	90,496
NET INCOME PER COMMON SHARE:							
Basic:							
Income before cumulative effect and extraordinary item.....	\$ 0.37	\$ 0.285	\$ 1.31	\$ 0.89	\$ 0.75	\$ 0.67	\$ 0.58
Cumulative effect... Extraordinary item.....	--	--	--	(0.34)	--	--	0.04
Net income....	\$ 0.37	\$ 0.285	\$ 1.31	\$ 0.55	\$ 0.75	\$ 0.67	\$ 0.62
Diluted:							
Income before cumulative effect and extraordinary item.....	\$ 0.36	\$ 0.275	\$ 1.26	\$ 0.85	\$ 0.71	\$ 0.64	\$ 0.54
Cumulative effect... Extraordinary item.....	--	--	--	(0.32)	--	--	0.04
Net income....	\$ 0.36	\$ 0.275	\$ 1.26	\$ 0.53	\$ 0.71	\$ 0.64	\$ 0.58

</TABLE>

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<TABLE>
<CAPTION>

	THREE MONTHS ENDED MARCH 31,		YEAR ENDED DECEMBER 31,				
	1999	1998	1998	1997	1996	1995	1994
	(DOLLARS IN THOUSANDS, EXCEPT FOR PER SHARE DATA)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
OTHER PER SHARE DATA:							
Cash dividends:							
Common Stock.....	\$ 0.06	\$ 0.05	\$ 0.23	\$ 0.195	\$ 0.165	\$ 0.145	\$ 0.13
10 1/2% Preferred Stock.....	--	--	--	--	\$ 0.3825	\$ 1.05	\$ 1.05
8% Convertible Cumulative Preferred Stock...	\$ 20.00	\$ 20.00	\$ 80.00	\$ 15.33	--	--	--
7% Noncumulative Preferred Stock.....	\$ 0.36	--	--	--	--	--	--
Weighted average common shares outstanding:							
Basic.....	40,428,920	38,450,408	39,941,068	36,680,158	36,266,244	29,231,680	27,770,936
Diluted.....	42,447,389	40,384,124	41,928,186	38,728,632	38,725,072	31,040,540	30,307,856
OPERATING DATA:							
Mortgage loans originated and purchased.....	\$ 702,000	\$ 387,000	\$ 2,313,000	\$ 1,037,000	\$ 817,000	\$ 636,000	\$ 824,000
Loan servicing							

portfolio.....	\$ 6,566,000	\$ 4,810,000	\$ 6,186,000	\$ 4,655,000	\$ 3,068,000	\$ 2,668,000	\$ 2,644,000
SELECTED RATIOS:							
Return on average assets.....	2.13%	2.16%	2.17%	1.37%	2.68%	2.32%	2.78%
Return on average common equity.....	21.64%	20.97%	21.65%	11.99%	19.35%	17.82%	20.82%
Average common equity to average assets...	10.74%	10.48%	10.00%	11.39%	13.81%	13.02%	13.35%

DESCRIPTION OF THE BONDS

GENERAL

The bonds will be issued under a trust agreement between AFICA and Citibank, N.A., as trustee. The bonds will be dated the date of their issuance and will bear interest at such rates and will mature, subject to the rights of redemption described below, in such amounts on and of such years, as set forth on the inside front cover page of this official statement and prospectus. Interest on the bonds will be paid to you on the first day of each month commencing on , 1999 until maturity or prior redemption. Additionally, interest will be paid to you at maturity or redemption. Interest will be computed using a 360-day year of twelve 30-day months.

The bonds will be issued as fully registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof. The bonds will be registered under the DTC book-entry only system described below. Therefore, you will not receive a certificate for any bonds you purchase. The principal or redemption price of and interest on the bonds will be payable as described below under "Book-Entry Only System."

BOOK-ENTRY ONLY SYSTEM

The following information concerning DTC and DTC's book-entry system has been obtained from DTC. AFICA, Doral Financial, Doral Properties and the Underwriters do not take any responsibility for the accuracy thereof.

DTC will act as securities depository for the bonds. The bonds will be issued as fully registered bonds in the name of Cede & Co., DTC's partnership nominee. One fully registered bond will be issued for each maturity of the bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that its participants (the "Direct Participants") deposit with DTC. DTC also facilitates the settlement of securities transactions among Direct Participants, such as transfers and pledges, in deposited securities through electronic book-entry changes in accounts of the Direct Participants, thereby eliminating the need for physical movement of securities. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of the Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as banks, brokers, dealers and trust companies that clear transactions through or maintain a custodial relationship with a Direct Participant either directly or indirectly (the "Indirect Participants;" and together with the Direct Participants, the "Participants"). The rules applicable to DTC and its Participants are on file with the Commission.

Purchases of bonds under the DTC system must be made by or through Direct Participants which will receive a credit for the bonds on DTC's records. The ownership interest of each actual purchaser of each bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the bonds, except in the event that use of the DTC system for the bonds is discontinued.

To facilitate subsequent transfers, all bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the bonds of any maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the bonds. Under its usual procedures, DTC mails an "Omnibus Proxy" to AFICA as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the bonds are credited on the record date, identified in a listing attached to the Omnibus Proxy.

Principal of and redemption premium, if any, and interest payments on the bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on each Payment Date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on such date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the trustee, Doral Financial, Doral Properties or AFICA, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the trustee, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Each person for which a Participant acquires an interest in the bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Participant, and may desire to make arrangements with such Participant to have all notices of redemption or other communications to DTC, which may affect such persons, forwarded in writing by such Participant and to have notification made of all interest payments.

DTC may discontinue providing its services as securities depository with respect to the bonds at any time by giving reasonable notice to AFICA or the trustee. In such event, AFICA will try to find a substitute securities depository and, if unsuccessful, definitive bonds will be printed and delivered. In addition, AFICA, in its sole discretion and without the consent of any other person, may terminate the services of DTC as securities depository with respect to the bonds if AFICA determines that Beneficial Owners of such bonds shall be able to obtain definitive bonds. In such event, definitive bonds will be printed and delivered as provided in the trust agreement and registered in accordance with the instructions of the Beneficial Owners.

So long as Cede & Co., as nominee of DTC, or any other nominee of DTC, is the registered owner of the bonds, all references herein to the bondholders or registered owners of the bonds, other than under the heading "Taxation", shall mean Cede & Co., or such other nominee, in the capacity of nominee for DTC, and shall not mean the Beneficial Owners of the bonds.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act, by statute, regulation or otherwise, on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by AFICA or the trustee to DTC only.

For every registration of transfer or exchange of the bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

AFICA, THE TRUSTEE, DORAL PROPERTIES AND DORAL FINANCIAL SHALL HAVE NO RESPONSIBILITY OR OBLIGATION TO ANY PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT

PARTICIPANT OR INDIRECT PARTICIPANT, AS DESCRIBED ABOVE; (2) THE PAYMENT OR TIMELINESS OF PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS; (3) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE TRUST AGREEMENT TO BE GIVEN TO BONDHOLDERS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

In the event that the book-entry only system is discontinued and the Beneficial Owners become registered owners of the bonds, the following provisions will apply: The principal of the bonds and premium, if any, thereon when due will be payable upon presentation of the bonds at the corporate trust office of the trustee in San Juan, Puerto Rico, and interest on the bonds will be paid by check mailed to the persons who were the registered owners as of the 15th day of the month immediately preceding the related interest payment date, as provided in the trust agreement. Bonds may be exchanged for an equal aggregate principal amount of bonds in other authorized denominations and of the same maturity and interest rate, upon surrender thereof at the trustee's corporate trust office in San Juan, Puerto Rico. The transfer of any bond may be registered only upon surrender thereof to the trustee along with a duly executed assignment in form satisfactory to the trustee. Upon any such registration of transfer, a new bond or bonds of authorized denominations in an equal aggregate principal amount, of the same maturity, bearing interest at the same rate and registered in the name of the transferee will be executed by AFICA and authenticated by the trustee. No charge may be made to the bondholders for any exchange or registration of transfer of the bonds, but any bondholder requesting any such exchange shall pay any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer. The trustee will not be required to exchange or to register the transfer of any bond during the period of 15 days preceding the date of giving of notice of redemption or after any bond or portion thereof has been selected for redemption.

Year 2000 Matters. DTC management is aware that some computer systems for processing data ("Systems") that are dependent upon calendar dates, including dates before, on, and after January 1, 2000, may encounter "Year 2000 problems." DTC has informed its Participants and other members of the financial community (the "Industry") that it has developed and is implementing a program so that its Systems, as the same relate to the timely payment of distributions, including principal and interest payments, to security holders, book-entry deliveries, and settlement of trades within DTC, continue to function appropriately. This program includes a technical assessment and a remediation plan, each of which is complete. Additionally, DTC's program includes a testing phase, which is expected to be completed within appropriate time frames.

However, DTC's ability to perform properly its services is also dependent upon other parties, including but not limited to issuers and their agents, as well as Direct Participants, Indirect Participants and third party vendors from whom DTC licenses software and hardware, and third party vendors on whom DTC relies for information or the provision of services, including telecommunication and electrical utility service providers, among others. DTC has informed the Industry that it is contacting, and will continue to contact, third party vendors from whom DTC acquires services to: (1) impress upon them the importance of such services being Year 2000 compliant; and (2) determine the extent of their efforts for Year 2000 remediation and, as appropriate, testing, of their services. In addition, DTC is in the process of developing such contingency plans as it deems appropriate.

According to DTC, the foregoing information with respect to DTC has been provided to the Industry for informational purposes only and is not intended to serve as a representation, warranty, or contract modification of any kind.

MANDATORY REDEMPTION

Under the trust agreement, Doral Properties is subject to certain amortization requirements which require it to redeem a specified principal amount of term bonds each year commencing on . Pursuant to these amortization requirements, some of the term bonds will be redeemed semiannually at a price equal to the principal amount thereof plus accrued interest to the redemption date beginning , in the case of the term bonds due , and , in the case of the term bonds due . The principal amount to be redeemed and the date of redemption is the following:

<TABLE>
<CAPTION>

TERM BONDS DUE		TERM BONDS DUE	
DATE	AMOUNT	DATE	AMOUNT
----	-----	----	-----

<S> <C> <C> <C>
</TABLE>

Taking into account the above amortization requirements, the average life of the term bonds due will be years and the average life of the term bonds due will be years.

Doral Properties or Doral Financial, at their option, may direct the trustee to credit against the bonds of any maturity required to be redeemed the principal amount of bonds of the same maturity purchased by Doral Properties or Doral Financial and delivered to the trustee for cancellation, or redeemed pursuant to the optional redemption provisions of the trust agreement.

The bonds are further subject to mandatory redemption in whole at a price equal to the principal amount thereof plus accrued and unpaid interest to the redemption date upon the failure of Doral Properties to comply with the covenant described under "Covenant as to Maintenance of Source of Income" on page 21 of this official statement and prospectus and as a result the interest on the bonds becomes subject to federal taxation for Puerto Rico residents. No such mandatory redemption shall be required as a result of a change in the tax laws in force on the date of issuance of the bonds.

The bonds will also be redeemed at a price equal to the principal amount thereof plus accrued interest to the redemption date as follows: (1) some of the bonds will be redeemed with any bond proceeds that have not been used at the end of construction, and (2) all of the bonds will be redeemed if the Center ceases to operate as an Industrial Facility for purposes of AFICA's enabling law.

OPTIONAL REDEMPTION

The bonds may be redeemed by Doral Properties at its option, in whole or in part, at any time on or after , 2004, on any date selected by Doral Properties occurring not less than 45 days from the date the notice of redemption is received by the trustee, and in the order of maturity determined by Doral Properties, at the redemption prices set forth below (expressed as percentages of the principal amount of such bonds), plus accrued interest to the redemption date:

<TABLE>
<CAPTION>

	REDEMPTION PERIOD (ALL DATES INCLUSIVE)	REDEMPTION PRICE
<S>	, 2004 to , 2005.....	102%
	, 2005 to , 2006.....	101%
	, 2006 to and thereafter.....	100%

</TABLE>

EXTRAORDINARY OPTIONAL REDEMPTION

The bonds may be redeemed by Doral Properties at its option, in whole or in part, and if in part, in such order of maturity as directed by Doral Properties, on any date occurring not less than 45 days after Doral Properties has mailed notice of such redemption to the trustee, at a redemption price equal to the principal amount thereof, without premium, plus accrued interest to the date fixed for redemption, if any of the following events shall have occurred:

(a) The Center shall have been damaged or destroyed to such an extent that in the opinion of Doral Properties it cannot be reasonably restored or repaired within a period of six months, or Doral Properties is thereby prevented or will likely be prevented from causing its normal operation for a period of six months or more, or its restoration and repair would not be economically feasible; or

(b) Use or control of the Center shall have been taken under the exercise of the power of eminent domain to such an extent that Doral Properties is, or in its opinion would likely be, thereby prevented from causing the normal operation of the Center for a period of six months or more; or

(c) As a result of any change in the Constitution or laws of the United States of America or Puerto Rico or of legislative or administrative action of the United States of America or Puerto Rico or any political subdivision, or any judicial action or regulatory action or inaction, the loan and guaranty agreement or the trust agreement, in the opinion of Doral Properties, shall have become void or unenforceable or impossible of performance in any material respect, or use or occupancy of all or a significant part of the Center shall, in the opinion of Doral Properties, have been legally curtailed for six months or more, or, in the opinion of Doral Properties, unreasonable burdens or excessive liabilities with

respect to the Center or the bonds shall have been imposed.

NOTICE AND EFFECT OF REDEMPTION; PARTIAL REDEMPTION

At least 30 days before any redemption date, notice thereof will be sent by the trustee via first-class mail, postage prepaid, to DTC, or if the book-entry only system is discontinued as described above, by first-class mail, postage prepaid, to the registered owners of the bonds to be redeemed. If less than all of the bonds are called for redemption, the particular bonds or portions thereof to be redeemed will be selected as provided below, except that so long as the book-entry only system shall remain in effect, in the event of any such partial redemption, DTC shall reduce the credit balances of the applicable DTC Participants in respect of the bonds, and such Participants shall in turn select those beneficial owners whose ownership interests are to be extinguished by such partial redemption, each by such method as DTC or such Participants, as the case may be, in their sole discretion deem fair and appropriate.

Each notice of redemption shall set forth:

(1) the redemption date;

(2) the redemption price;

(3) if fewer than all of the bonds then outstanding shall be called for redemption, the distinctive numbers and letters, if any, of such bonds to be redeemed and, in the case of bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed;

(4) that on the date fixed for redemption such redemption price will become due and payable upon each bond or portion thereof called for redemption, and that interest thereon shall cease to accrue on and after said redemption date; and

(5) the place where such bonds or portions thereof called for redemption are to be surrendered for payment of such redemption price.

In case any bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such bond, a new bond or bonds in principal amount equal to the unredeemed portion of such bonds will be issued. Failure to mail such notice to any bondholder or any

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defect in any notice so mailed shall not affect the validity of the proceedings for the redemption of the bonds of any other bondholders.

Except with respect to the mandatory redemption of the term bonds in accordance with the amortization requirements described above, if less than all of the outstanding bonds shall be called for redemption, Doral Properties shall determine the principal amount of each maturity of the bonds to be redeemed. If less than all bonds of one maturity are to be redeemed, the bonds, or portions thereof, to be redeemed will be selected by the trustee by such method as it deems fair and appropriate in integral multiples of \$5,000.

If notice of redemption is given and if sufficient funds are on deposit with the trustee to provide for the payment of the principal of and premium, if any, and interest on the bonds to be redeemed, then the bonds so called for redemption will, on the redemption date, cease to bear interest and shall no longer be deemed outstanding or be entitled to any benefit or security under the trust agreement.

SOURCES OF PAYMENT AND SECURITY FOR THE BONDS

Bonds Limited Obligations of AFICA. The bonds are limited obligations of AFICA payable solely from monies derived pursuant to the loan and guaranty agreement. The bonds will not constitute a charge against the general credit of AFICA and will not constitute an indebtedness of the government of Puerto Rico or any of its political subdivisions other than AFICA.

The Loan and Guaranty Agreement. Under the loan and guaranty agreement, Doral Properties will agree to deposit with the trustee in a bond fund established under the trust agreement amounts sufficient to pay, together with the amounts then on deposit therein, principal of and premium, if any, and interest on the bonds. Such deposit must be made on the business day immediately preceding the day on which the corresponding amounts of principal, premium, if any, and interest are due and payable. Pursuant to the trust agreement, AFICA will assign its interest in the loan agreement, except certain rights of AFICA to indemnification, exemption from liabilities, notices and the payment of costs and expenses, to the trustee as security for the bonds.

Guaranty of Doral Financial. Under the loan and guaranty agreement, Doral Financial has agreed to guarantee the payments required to be made by Doral Properties, which include payment of principal of, premium, if any, and interest

on the bonds, when and as the same become due and payable. The guarantee is absolute and unconditional, and not subject to any circumstance that might otherwise constitute a legal or equitable discharge of a guarantor. Holders of the bonds may proceed directly against Doral Financial in the event of default under the bonds without first proceeding against Doral Properties. The guaranty will rank on an equal rank with other unsecured and unsubordinated obligations of Doral Financial.

SUMMARY OF THE LOAN AND GUARANTY AGREEMENT

The following briefly summarizes the material provisions of the loan and guaranty agreement among AFICA, Doral Properties and Doral Financial. This summary is not complete. You should read the more detailed provisions of the loan and guaranty agreement for provisions that may be important to you. A copy of the loan and guaranty agreement is filed as an exhibit to the registration statement of which this official statement and prospectus is a part.

Pursuant to the loan and guaranty agreement, AFICA will loan the proceeds from the sale of the bonds to Doral Properties to finance a portion of the cost of construction of the Center. Doral Properties will agree to make payments directly to the trustee which, together with amounts then held in the bond fund established under the trust agreement will be sufficient to make the payments of principal of and premium, if any, and interest on the bonds as the same become due at maturity, upon redemption or acceleration. Such deposit must be made on the business day immediately preceding the date on which the corresponding amounts of principal, premium, if any, and interest are due and payable.

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ASSIGNMENT BY AFICA

AFICA will assign all of its rights, title and interest in the loan and guaranty agreement and will pledge and assign to the trustee any payments, receipts and revenues receivable by it under or pursuant to the loan and guaranty agreement and the income earned by the investment of funds held under the trust agreement, as security for payment of the principal of and premium, if any, and interest on the bonds. Except as provided in the preceding sentence, AFICA will not sell, assign or otherwise dispose of its interest in the loan and guaranty agreement.

MAINTENANCE AND OPERATION OF THE CENTER

Doral Properties will cause the Center to be operated as an Industrial Facility, as defined in the Act, and to be maintained, preserved and kept in good repair, working order and condition and will from time to time cause to be made all reasonably necessary and proper repairs, replacements and renewals; provided, however, that Doral Properties will have no obligation to cause to be maintained, preserved, repaired, replaced or renewed any element or unit of the Center, the maintenance, repair, replacement or renewal of which becomes uneconomic to Doral Properties because of damage or destruction or obsolescence, or change in economic or business conditions or change in government standards and regulations. Doral Properties shall not permit, commit or suffer any waste of the whole or any major part of the Center and shall not use or permit the use of the Center, or any part thereof, for any unlawful purpose or permit any nuisance to exist thereon.

COVENANT AS TO EXISTENCE, CONSOLIDATION, MERGER OR SALE

Doral Properties and Doral Financial will maintain their existence, will not dispose of all or substantially all of their assets and will not acquire, consolidate with or merge into another person; provided, however, that Doral Properties or Doral Financial may acquire, consolidate with or merge into another person, or transfer to another person all or substantially all of their assets and thereafter dissolve, if:

(1) the successor or transferee is solvent and irrevocably and unconditionally assumes in writing all the obligations of Doral Properties or Doral Financial, as the case may be, under the loan and guaranty agreement and the trust agreement; and

(2) immediately after such consolidation, merger or transfer none of Doral Properties, such successor or transferee, if other than Doral Properties, or Doral Financial shall be in default in the performance or observance of any duties, obligations or covenants under the loan and guaranty agreement, including the Source of Income Requirements discussed below under "Covenant as to Maintenance of Source of Income."

SALE, TRANSFER OR ENCUMBRANCE OF THE CENTER

Doral Properties may sell or otherwise transfer or encumber the Center, in whole or in part, without the consent of AFICA or the trustee, if it meets the following requirements:

(1) Doral Properties shall, prior to such sale, transfer or encumbrance of the Center, notify AFICA and the trustee; and

(2) prior to the proposed sale, transfer or encumbrance of the Center, AFICA and the trustee are provided with proof satisfactory to them by Doral Properties that the proposed transaction will not adversely affect the income tax treatment of interest received on the bonds by bondholders.

No sale or other transfer or encumbrance of the Center shall relieve Doral Properties or Doral Financial of the obligation to make the payments required by the loan and guaranty agreement.

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ASSIGNMENT OF LOAN AND GUARANTY AGREEMENT BY DORAL PROPERTIES

Doral Properties may, by operation of law or otherwise, assign its interest in the loan and guaranty agreement, in whole or in part, without the consent of AFICA or the trustee, if it meets the following requirements:

(1) Doral Properties shall, prior to such assignment of the loan and guaranty agreement, notify AFICA and the trustee;

(2) prior to the proposed assignment, the trustee is provided with proof satisfactory to it by Doral Properties that such assignment or the terms thereof will not affect adversely affect the income tax treatment of interest received on the bonds by bondholders;

(3) the assignee shall, in a certificate delivered to AFICA and the trustee, which certificate shall be in a form reasonably satisfactory to AFICA and the trustee, expressly agree to pay and to perform all of the obligations of Doral Properties under the loan and guaranty agreement; and

(4) the assignee shall deliver to AFICA and the trustee a certificate executed by its chief financial officer (or other executive officer performing similar functions) stating that none of the obligations, covenants and performances under the loan and guaranty agreement assumed by it will conflict with or constitute on the part of such assignee a breach of, or default under, any indenture, mortgage, agreement or other instrument to which such assignee is a party or by which it is bound, or under any existing law, rule, regulation, judgment, order or decree to which such assignee is subject.

The provisions of clauses (3) and (4) above shall not apply to any assignment of the loan and guaranty agreement in which all the parties consist of Doral Properties, Doral Financial or any of their respective subsidiaries.

Notwithstanding any of the foregoing, no assignment of the loan and guaranty agreement shall relieve Doral Properties or Doral Financial of the obligation to make the payments required by the loan and guaranty agreement.

COVENANT AS TO MAINTENANCE OF SOURCE OF INCOME

Doral Properties will covenant under the loan and guaranty agreement that during each taxable year while the bonds are outstanding it will comply with the requirements of the Code so that all interest paid or payable on the bonds will constitute income from sources within Puerto Rico under the general source of income rules of the Code as in effect on the date of issuance of the bonds (the "Source of Income Requirements").

Under the loan and guaranty agreement, Doral Properties will be required to cause its independent accountants to submit, no later than the 90th day after the close of each of its taxable years, a report stating whether in connection with their audit of the books and records of Doral Properties, Doral Properties failed to comply with any of the Source of Income Requirements during the taxable year just ended or such other applicable period. If the independent accountants' report should state that in the course of their audit Doral Properties failed to comply with any of the Source of Income Requirements during the immediately preceding taxable year or such other applicable period or if Doral Properties provides the trustee with a certificate that indicates that Doral Properties failed to comply with the Source of Income Requirements, the trustee shall within five business days from the date of receipt of such independent accountant's report or certificate of Doral Properties, send written notice thereof to Doral Properties and each person who was a bondholder during the preceding taxable year thereof.

LIMITATIONS ON LIENS AND DISPOSITION OF STOCK OF PRINCIPAL MORTGAGE BANKING SUBSIDIARIES

The loan and guaranty agreement provides that Doral Financial will not, and will not permit any Subsidiary to, incur, issue, assume or guarantee any indebtedness for money borrowed if such indebtedness is secured by a pledge of, lien on, or security interest in any shares of Voting Stock of any Principal

indebtedness ranking equally with the bonds, shall be secured equally and ratably with such indebtedness. This limitation shall not apply to indebtedness secured by a pledge of, lien on or security interest in any shares of Voting Stock of any corporation at the time it becomes a Principal Mortgage Banking Subsidiary.

The loan and guaranty agreement also provides that Doral Financial will not sell, assign, transfer or otherwise dispose of any shares of, securities convertible into or options, warrants or rights to subscribe for or purchase shares of, Voting Stock (other than directors' qualifying shares) of any Principal Mortgage Banking Subsidiary and will not permit any Principal Mortgage Banking Subsidiary to issue (except to Doral Financial) any shares of, securities convertible into or options, warrants or rights to subscribe for or purchase shares of, Voting Stock of any Principal Mortgage Banking Subsidiary, except for sales, assignments, transfers or other dispositions that:

- are for fair market value on the date thereof, as determined by the Board of Directors of Doral Financial (which determination shall be conclusive) and, after giving effect to such disposition and to any possible dilution, Doral Financial will own not less than 80% of the shares of Voting Stock of such Principal Mortgage Banking Subsidiary then issued and outstanding free and clear of any security interest;
- are made in compliance with an order of a court or regulatory authority of competent jurisdiction, as a condition imposed by any such court or authority permitting the acquisition by Doral Financial, directly or indirectly, of any other mortgage banking institution or entity the activities of which are legally permissible for a bank holding company or a subsidiary thereof to engage in, or as an undertaking made to such authority in connection with such an acquisition;
- are made where such Principal Mortgage Banking Subsidiary, having obtained any necessary regulatory approvals, unconditionally guarantees payment when due of the principal of and premium, if any, and interest on the bonds; or
- are made to Doral Financial or any wholly-owned subsidiary if such wholly-owned subsidiary agrees to be bound by this covenant and Doral Financial agrees to maintain such wholly-owned subsidiary as a wholly-owned subsidiary.

Notwithstanding the foregoing, any Principal Mortgage Banking Subsidiary may be merged into or consolidated with another mortgage banking institution organized under the laws of the United States, any state thereof, Puerto Rico or the District of Columbia if, after giving effect to such merger or consolidation, Doral Financial or any wholly-owned subsidiary owns at least 80% of the Voting Stock of such other mortgage banking institution then issued and outstanding free and clear of any security interest and if, immediately after giving effect thereto and treating any such resulting institution thereafter as a Principal Mortgage Banking Subsidiary and as a Subsidiary for purposes of the loan and guaranty agreement, no event of default, and no event that, after the giving of notice or lapse of time or both, would become an event of default under the loan and guaranty agreement, has occurred and is continuing.

"Principal Mortgage Banking Subsidiary" means a Subsidiary, including its Subsidiaries, that is principally engaged in the mortgage banking business and meets any of the following conditions:

- Doral Financial's and its other Subsidiaries' investments in and advances to the Subsidiary exceed 30 percent of the total assets of Doral Financial and its Subsidiaries consolidated as of the end of the most recently completed fiscal year;
- Doral Financial's and its other Subsidiaries' proportionate share of the total assets of the Subsidiary after intercompany eliminations exceeds 30 percent of the total assets of Doral Financial and its Subsidiaries consolidated as of the end of the most recently completed fiscal year; or
- Doral Financial's and its other Subsidiaries' equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principles of the Subsidiary exceeds 30 percent of such income of Doral Financial and its Subsidiaries consolidated for the most recently completed fiscal year.

"Principal Mortgage Banking Subsidiary" does not include, however, any Subsidiary that is a bank or savings association unless Doral Financial transfers to such bank or savings association the mortgage banking business conducted by Doral Mortgage Corporation or Doral Financial's HF Mortgage Bankers Division as of the date of this official statement and prospectus.

"Subsidiary" means any corporation of which securities entitled to elect at least a majority of the corporation's directors shall at the time be owned, directly or indirectly, by Doral Financial, and/or one or more Subsidiaries.

"Voting Stock" means capital stock the holders of which have general voting power under ordinary circumstances to elect at least a majority of the board of directors of a corporation, except capital stock that carries only the right to vote conditioned on the happening of an event regardless of whether such event shall have happened.

INDEMNITY

Under the loan and guaranty agreement, Doral Properties will also agree to indemnify AFICA against any claims or liabilities arising from the construction and operation of the Center or its participation in the financing of the Center and certain other liabilities, and will agree to pay the fees and expenses of AFICA and the trustee.

EVENTS OF DEFAULT AND REMEDIES

Each of the following is an event of default under the loan and guaranty agreement:

(1) failure to pay the principal of, and premium, if any, on the bonds when the same shall become due and payable or failure to pay interest on the bonds after the same become due and payable;

(2) failure to make any other payments (excluding payments with respect to the principal of, premium, if any, and interest on the bonds) required under the loan and guaranty agreement if such failure shall continue for a period of 30 days after written notice thereof, unless a written extension is granted by the trustee prior to its expiration;

(3) failure by Doral Properties or Doral Financial to observe or perform certain other covenants, conditions or agreements under the loan and guaranty agreement, other than a default described in (1) or (2) above, and continuation of such failure for 90 days after written notice thereof, unless a written extension thereof is granted by the trustee prior to its expiration, provided, however, that if such failure may be cured but cannot be corrected within such ninety-day period, it will not constitute an event of default if corrective action is commenced by Doral Properties during such period and diligently pursued until such failure is corrected;

(4) acceleration of any other indebtedness of Doral Financial or any Significant Subsidiary (as defined below), in each case exceeding \$5,000,000 in an aggregate principal amount; and

(5) certain events of bankruptcy, liquidation or similar proceedings involving Doral Properties or Doral Financial.

"Significant Subsidiary" means a Subsidiary, including its Subsidiaries, that meets any of the following conditions:

- Doral Financial's and its other Subsidiaries' investments in and advances to the Subsidiary exceed 10 percent of the total assets of Doral Financial and its Subsidiaries consolidated as of the end of the most recently completed fiscal year;
- Doral Financial's and its other Subsidiaries' proportionate share of the total assets of the Subsidiary after intercompany eliminations exceeds 10 percent of the total assets of Doral Financial and its Subsidiaries consolidated as of the end of the most recently completed fiscal year; or

- Doral Financial's and its other Subsidiaries' equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principles of the Subsidiary exceeds 10 percent of such income of Doral Financial and its Subsidiaries consolidated for the most recently completed fiscal year.

If by reason of "Force Majeure" (as defined in the loan agreement), Doral Properties is unable to perform any of its obligations under (3) above, Doral Properties will not be deemed to be in default during the continuance of such inability, including a reasonable time for the removal of the effect thereof.

AFICA has no power to waive any default under the loan and guaranty agreement or extend the time for the correction of any default which could become an event of default without the consent of the trustee.

Upon the occurrence of an event of default, subject to the provisions of the trust agreement, the trustee, as assignee of AFICA's rights, may declare all unpaid amounts payable under the loan and guaranty agreement in respect of the bonds to be immediately due and payable and may take any action at law or equity necessary to enforce any obligation of Doral Properties under the loan and guaranty agreement.

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SUMMARY OF THE TRUST AGREEMENT

The following briefly summarizes the material provisions of the trust agreement between AFICA and Citibank, N.A. This summary is not complete. You should read the more detailed provisions of the trust agreement for the provisions that may interest you. A copy of the trust agreement is filed as an exhibit to the registration statement of which this official statement and prospectus is a part.

Under the trust agreement, AFICA will assign to the trustee for the benefit of the bondholders all of AFICA's right, title and interest in the loan and guaranty agreement, except for certain rights of AFICA under the loan agreement to indemnification, exemption from liability, notices and the payment of costs and expenses, in trust to provide for the payment of the principal of and premium, if any, and interest on the bonds.

CONSTRUCTION FUND

The proceeds from the sale of the bonds, other than amounts to be used to pay the fee payable to AFICA, the existing land loan and other costs of issuance, will be deposited with the trustee in the construction fund established under the trust agreement. Payments of the costs of the construction of the Center will be made from the construction fund upon requisitions presented to the trustee signed by Doral Properties and, under certain circumstances, AFICA. Any amounts remaining in the construction fund on the earlier of (1) the third anniversary of the date of issuance of the bonds, subject to extension by AFICA, or (2) the receipt by the trustee of a certificate issued by Doral Properties and approved by AFICA to the effect that the moneys in the construction fund will not be used to pay costs of construction of the Center, will be transferred to the bond fund and used to redeem bonds.

BOND FUND

Doral Properties shall cause to be deposited to the credit of the bond fund:

(1) all amounts paid pursuant to the loan and guaranty agreement with respect to principal of and interest on the bonds, including payments with respect to optional and mandatory prepayments of the bonds;

(2) any amount in the construction fund to be transferred to the bond fund in accordance with the provisions of the trust agreement described above under "Construction Fund"; and

(3) all other moneys received by the trustee pursuant to any of the provisions of the loan and guaranty agreement or otherwise which are permitted or required or are accompanied by directions from Doral Properties or AFICA that such moneys are to be paid into the bond fund.

INVESTMENT OF FUNDS

Moneys held for the credit of all funds and accounts under the trust agreement shall be invested in "Investment Obligations" in accordance with the instructions of Doral Properties. Any such Investment Obligations shall mature not later than the respective dates when the money held for the credit of such funds or accounts will be required for the purposes intended.

Investment Obligations are defined as government obligations and obligations of any agency or instrumentality of the United States of America whose obligations are backed by the full faith and credit of the United States of America and,

(A) the obligations of the

(1) Federal National Mortgage Association,

(2) Federal Home Loan Banks,

(3) Federal Farm Credit System,

(4) Federal Home Loan Mortgage Corporation,

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(5) Government National Mortgage Association,

(6) Federal Housing Administration, and

(7) Farmers Home Administration,

(B) repurchase agreements with financial institutions that are members of the Federal Reserve System or primary dealers in the United States Treasury market the short-term obligations of which institutions or dealers are rated at least "A-2" by Standard & Poor's or PRIME-2 by Moody's or whose long-term obligations are rated in one of the four highest rating categories by Standard & Poor's or Moody's secured by any combination of the investments or securities referred to in clause (A); provided, that the market value of the margin amount required on the trade/settlement date shall always be a minimum of 102% of the purchase price and not less than 100% of the repurchase price thereafter during the remaining tenure of the agreement, the trustee shall be given a first priority security interest, and such repurchase agreement shall constitute a "repurchase agreement" within the meaning of Section 101 of the United States Bankruptcy Code, as amended,

(C) debt obligations and commercial paper rated "A-2" or better by Standard & Poor's or Moody's,

(D) investment agreements in the form of interest bearing time deposits, repurchase agreements or similar arrangements rated, or guaranteed by a letter of credit or guaranty from a financial institution rated, within the four highest rating categories by Standard & Poor's or Moody's in respect of money in the construction fund,

(E) money market accounts of the trustee or any state or federally chartered bank, banking association, trust company or subsidiary trust company that is rated or whose parent state bank is rated in one of the two highest short-term rating categories or in one of the four highest long-term rating categories by Standard & Poor's or Moody's, and

(F) any other investment obligations rated by Standard & Poor's or Moody's in one of the four highest rating categories or otherwise approved in writing by Standard & Poor's or Moody's.

Government obligations are defined as

(1) direct obligations of, or obligations the timely payment of principal of and interest on which are fully and unconditionally guaranteed by, the United States of America, and

(2) any certificates or other evidences of ownership interest in obligations or in specified portions thereof, which may consist of specified portions of the principal thereof or the interest thereon, of the character described in clause (1).

EVENTS OF DEFAULT

Each of the following events is an event of default under the trust agreement:

(1) Doral Properties or Doral Financial shall fail to pay the principal of and interest on the bonds when the same shall become due and payable;

(2) the occurrence of certain events of bankruptcy, liquidation, insolvency or similar proceedings involving Doral Properties or Doral Financial; or

(3) any event of default under the loan and guaranty agreement shall have occurred and such event of default shall not have been remedied or waived.

ACCELERATION OF MATURITIES

Upon (1) the happening and continuance of an event of default specified in paragraph (2) above, the trustee shall, and upon (2) the happening and continuance of any other event of default specified above, the trustee may, and upon the written request of holders of not less than 25% in aggregate principal amount of bonds then outstanding shall, by notice in writing to AFICA, declare the principal of all the

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bonds to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable. If this happens, subject to certain conditions, the trustee may, and upon the written direction of the holders of not less than a majority in aggregate principal amount of the bonds then outstanding shall, by a notice in writing to AFICA and Doral Properties, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent default or impair any right consequent thereon. The trustee may not, however, rescind and annul an acceleration made pursuant to the written request of the bondholders.

ENFORCEMENT OF REMEDIES

Upon the happening and continuance of any event of default and the acceleration of the bonds, then and in every such case the trustee may, and upon the written direction of the holders of not less than 25% in aggregate principal amount of the bonds then outstanding under the trust agreement shall, proceed, subject to the provision of indemnification satisfactory to the trustee, to protect and enforce its rights and the rights of the bondholders under applicable laws, under the loan and guaranty agreement and the trust agreement.

In the enforcement of any remedy under the trust agreement, the trustee in its own name and as trustee of an express trust shall be entitled to sue for, enforce payment of and recover judgment for, any and all amounts then or after any default becoming, and at any time remaining, due from AFICA for principal, premium, if any, interest or otherwise under any of the provisions of the trust agreement or of the bonds and unpaid, with interest on overdue payments of principal, premium, if any, and interest (to the extent permitted by law) at the rate or rates of interest specified in the bonds, together with any and all costs and expenses of collection and of all proceedings, without prejudice to any other right or remedy of the trustee or of the bondholders, and to recover and enforce any judgment or decree against AFICA, but solely as provided in the trust agreement and in the bonds, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect (but solely from moneys in the bond fund and any other moneys available for such purpose), in any manner provided by law, the moneys adjudged or decreed to be payable.

HOLDERS OF MAJORITY IN PRINCIPAL AMOUNT OF BONDS MAY CONTROL PROCEEDINGS

Subject to the provision of indemnification satisfactory to the trustee, the holders of a majority in aggregate principal amount of the bonds then outstanding shall have the right to direct the time, method and place of conducting all remedial proceedings to be taken by the trustee under the trust agreement or exercising any trust or power conferred upon the trustee, provided that such direction shall not be otherwise than in accordance with law and the provisions of the trust agreement.

RESTRICTIONS UPON ACTION BY INDIVIDUAL BONDHOLDER

No bondholder will have any right to institute any suit, action or proceeding in equity or at law on any bond or for the execution of any trust under the trust agreement, or for any other remedy under the trust agreement unless: (1) such holder has previously given to the trustee notice of the event of default on account of which such suit, action or proceeding is to be instituted; (2) the holders of not less than 25% of the aggregate principal of bonds then outstanding have requested of the trustee, after the right to exercise such powers or right of action, as the case may be, has accrued, and have afforded the trustee a reasonable opportunity, either to proceed to exercise such powers or to institute such action, suit or proceeding in its or their name; (3) the trustee has been offered reasonable security and indemnity against the costs, expenses and liabilities to be incurred (including, without limitation, indemnification for environmental liability); and (4) the trustee has refused or neglected to comply with such request within a reasonable time. No one or more bondholders will have any right, in any manner, to affect, disturb or prejudice any rights under the trust agreement, or to enforce any right thereunder, except in the manner therein provided. All suits, actions and proceedings at law or in equity must be instituted, had and maintained in the manner provided in the trust agreement and for the benefit of the bondholders. Any

individual right of action or other right given to one or more bondholders by law is restricted by the trust agreement to the rights and remedies therein provided.

SUPPLEMENTAL TRUST AGREEMENTS

The trust agreement may be amended or supplemented without the consent of the bondholders:

(1) to cure any ambiguity or to make any other provisions with respect to matters or questions arising under the trust agreement which shall not be inconsistent with the provisions of the trust agreement; or

(2) to grant or confer upon the trustee for the benefit of the bondholders any additional rights, remedies, powers, benefits, authority or security that may lawfully be so granted or conferred; or

(3) to add to the covenants of AFICA or Doral Properties for the benefit of the bondholders or to surrender any right or power conferred upon AFICA or Doral Properties under the trust agreement; or

(4) to permit the qualification of the bonds for sale under the securities laws of any of the states of the United States, and to add to the trust agreement or any supplement or amendment thereto such other terms, conditions and provisions as may be required by the Trust Indenture Act of 1939 or any similar federal statute.

The trust agreement may be amended or supplemented with the consent of the holders of a majority in principal amount of the bonds at the time outstanding. However, without the consent of each bondholder affected, no amendment to the trust agreement may:

(1) extend the time for the payment of the principal of and premium, if any, or the interest on any bond;

(2) reduce the principal of any bond or the redemption premium, if any, or the rate of interest thereon;

(3) create any lien or security interest with respect to the loan and guaranty agreement or the payments thereunder, other than the lien created by the trust agreement;

(4) give a preference or priority to any bond or bonds over any other bond or bonds; or

(5) reduce the aggregate principal of the bonds required for consent to such supplement or amendment or any waiver thereunder.

The trustee is not obligated to execute any proposed supplement or amendment if its rights, obligations and interests would be affected thereby.

Any amendment or supplement to the trust agreement other than to cure any ambiguity, will not become effective without the consent of Doral Properties and Doral Financial.

AMENDMENTS AND SUPPLEMENTS TO THE LOAN AND GUARANTY AGREEMENT

The loan and guaranty agreement may be amended or supplemented without the consent of the bondholders:

(1) to identify more precisely the project being financed; or

(2) to cure any ambiguity or formal defect or omission therein or in any supplement thereto; or

(3) to grant to or confer upon AFICA or the trustee for the benefit of the bondholders any additional rights, remedies, powers, benefits, authority or security that may lawfully be granted to or conferred upon AFICA, the trustee or the bondholders; or

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(4) to add to the covenants of Doral Properties or Doral Financial for the benefit of the bondholders or to surrender any right or power therein conferred upon Doral Properties or Doral Financial; or

(5) in connection with any other change which, in the judgment of the trustee, will not restrict, limit or reduce the obligation of Doral Properties or Doral Financial to make the payments under the loan and guaranty agreement required to pay the principal of and premium, if any, and the interest on the bonds or otherwise impair the security of the bondholders under the trust agreement, provided such action shall not materially adversely affect the interests of the bondholders.

Other than for the purposes of the above paragraph, the loan and guaranty agreement may be amended or supplemented with the approval of the holders of not less than a majority of the principal of the bonds at the time outstanding. No amendment or supplement to the loan and guaranty agreement will become effective without the consent of the trustee.

DEFEASANCE

Any bond will be deemed paid and no longer entitled to any security under the trust agreement upon satisfaction of certain conditions and the deposit with the trustee of sufficient funds, or Defeasance Obligations, the principal of and the interest on which, when due, without any reinvestment thereof, will provide moneys which will be sufficient to pay when due the principal of and premium, if any, and interest due and to become due on such bond. If any bond is not to be redeemed or does not mature within 60 days after such deposit, Doral Properties must give irrevocable instructions to the trustee to give notice, in the same manner as notice of redemption, that such deposit has been made. The bonds shall have not been deemed paid unless the trustee shall have received an opinion of counsel experienced in bankruptcy matters to the effect that payment to the bondholders would not constitute a transfer which may be avoided under the provisions of the United States Bankruptcy Code, and an opinion of counsel experienced in tax matters under the Code to the effect that, assuming continued compliance by Doral Properties with the Source of Income Requirements, the deposit of said obligations or moneys would not adversely affect the interest received by the bondholders as income from sources within Puerto Rico.

"Defeasance Obligations" means noncallable Government Obligations as defined above under "Investment of Funds" and, to the extent from time to time permitted by law,

(1) obligations issued or guaranteed by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Farm Credit System, Federal Home Loan Banks or Student Loan Marketing Association,

(2) obligations of state, territory or local government issuers which are rated in the highest rating category by Standard & Poor's or Moody's, provision for the payment of the principal of and interest on which shall have been made by deposit with the trustee or escrow agent of noncallable Government Obligations, the maturing principal of and interest on such Government Obligations, when due and payable, shall provide sufficient money to pay the principal of and redemption premium, if any, and interest on such obligations of state, territory or local government issuers, and

(3) evidences of ownership of a proportionate interest in obligations specified in clauses (1) and (2) above held by a bank or trust company organized and existing under the laws of the United States of America or any state or territory thereof as custodian.

THE TRUSTEE

Citibank, N.A., the trustee under the trust agreement, is also a lender under a loan agreement which provides a warehousing loan facility to Doral Financial and Doral Mortgage Corporation. The trustee may have other banking relationships with Doral Financial in the ordinary course of business.

The Trust Indenture Act imposes certain limitations on the right of the trustee, as a creditor of Doral Financial, to obtain payment of claims in certain cases, or to realize on certain property received in respect

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to any such claim as security or otherwise. The trustee will be permitted to engage in other transactions with Doral Financial or its affiliates, provided that if it acquires a conflicting interest within the meaning of Section 310 of the Trust Indenture Act, it must generally either eliminate such conflict or resign.

In the case an event of default shall occur (and shall not be cured), the trustee will be required to use the degree of care of a prudent person in the conduct of its own affairs in the exercise of its powers.

AFICA

GENERAL

The Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority ("AFICA") is a body corporate and politic constituting a public corporation and governmental instrumentality of Puerto Rico. The Legislature of Puerto Rico determined that the development and expansion of commerce, industry, and health and educational services within Puerto Rico is essential to the economic growth of Puerto Rico and to attain full employment and preserve the health, welfare, safety and prosperity of all its citizens. The Legislature of Puerto Rico also determined that new methods of financing capital investments were required to promote industry in Puerto Rico and to provide modern and efficient medical facilities for the citizens of Puerto Rico. Accordingly, AFICA was created under Act No. 121 of the Legislature of Puerto Rico, approved June 27, 1977, as amended (the "Act"), for the purpose of promoting the economic development, health, welfare and safety of the citizens of Puerto Rico. AFICA is authorized to borrow money through the issuance of revenue bonds and to loan the proceeds thereof to finance the acquisition, development, construction and equipping of industrial, tourist,

educational, medical and environmental pollution control and solid waste disposal facilities. AFICA has no taxing power. AFICA's offices are located at Minillas Government Center, De Diego Avenue, Stop 22, San Juan, Puerto Rico 00940. AFICA's telephone number is (787) 782-4060.

GOVERNING BOARD

The Act provides that the Governing Board of AFICA shall consist of seven members. The President of Government Development Bank for Puerto Rico ("GDB"), the Executive Director of Puerto Rico Industrial Development Company, the Executive Director of Puerto Rico Aqueduct and Sewer Authority, the President of the Puerto Rico Environmental Quality Board and the Executive Director of the Puerto Rico Tourism Company are each ex officio members of the Governing Board of GDB. The remaining two members of the Governing Board of AFICA are appointed by the Governor of Puerto Rico for terms of four years. As of the date of this official statement and prospectus, the position of the Executive Director of the Aqueduct and Sewer Authority is vacant. The following individuals are the current members of the Governing Board of AFICA:

<TABLE>
<CAPTION>

NAME	POSITION	TERM	OCCUPATION
<S>	<C>	<C>	<C>
Lourdes Rovira-Rizek.....	Chairperson	Indefinite	President, Government Development Bank for Puerto Rico
Hector Russe-Martinez.....	Member	Indefinite	President, Puerto Rico Environmental Quality Board
Jorge Davila.....	Member	Indefinite	Executive Director, Puerto Rico Tourism Company
Xavier Romeu.....	Member	Indefinite	Executive Director, Puerto Rico Industrial Development Company
James Thordsen.....	Member	June 27, 2002	President, James Thordsen, Inc.
Jose Salas-Soler.....	Member	October 22, 2001	Attorney-at-Law

</TABLE>

The Act provides that the affirmative vote of four members is sufficient for any action taken by the Governing Board.

The following individuals are currently officers of AFICA:

Carlos Colon de Armas, Executive Director of AFICA, is also Executive Vice President of GDB. He was appointed to these positions in February of 1999. Mr. Colon de Armas received a PhD in finance from Purdue University in 1992. Prior to his appointment, he was Deputy Executive Director of the Puerto Rico Highway and Transportation Authority.

Velmarie Berlingeri, Assistant Executive Director of AFICA, is also a Vice President of GDB. Ms. Berlingeri has been associated with GDB since 1993. She received a Bachelor of Science in Business Administration degree from the University of Puerto Rico in 1982. Prior to her appointment, she worked in the investments area of a major private corporation in Puerto Rico.

Delfina Betancourt Capo, Secretary and General Counsel of AFICA, is also Senior Vice President and General Counsel of GDB. Ms. Betancourt has been associated with GDB since 1984. She received a law degree from Cornell University in 1982.

OUTSTANDING REVENUE BONDS AND NOTES OF AFICA

As of April 30, 1999, AFICA had revenue bonds and notes issued and outstanding in the principal of approximately \$2.5 billion. All such bond and note issues have been authorized and issued pursuant to trust agreements or resolutions separate from and unrelated to the trust agreement relating to the bonds and are payable from sources other than the payments under the loan agreement.

Under the Act, AFICA may issue additional bonds and notes from time to time to finance industrial, tourist, educational, medical or pollution control facilities. However, any such bonds and notes would be authorized and issued pursuant to other trust agreements or resolutions separate from and unrelated to the trust agreement relating to the bonds and would be payable from sources other than the payments under the loan agreement.

GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO

As required by Act No. 272 of the Legislature of Puerto Rico, approved May 15, 1945, as amended, GDB has acted as a financial advisor to AFICA in connection with the issuance and sale of the bonds.

GDB is a public corporation with varied governmental financial functions.

Its principal functions are to act as financial advisor to and fiscal agent for Puerto Rico, its municipalities and its public corporations in connection with the issuance of bonds and notes, to make advances to public corporations and to make loans to private enterprises that will aid in the economic development of Puerto Rico. The Underwriter has been selected by GDB to act from time to time as underwriter of its obligations and the obligations of Puerto Rico, its instrumentalities and public corporations. The Underwriter or its affiliates also participate in other financial transactions with GDB.

TAXATION

In the opinion of Fiddler Gonzalez & Rodriguez, LLP, bond counsel, under the provisions of the Acts of Congress and the laws of Puerto Rico now in force:

1. The bonds and the transfer of the bonds, including any gain derived upon the sale of the bonds, are exempt from Puerto Rico income tax pursuant to Article 8(b) of Act No. 121 of the Legislature of Puerto Rico.

2. Interest on the bonds is:

(A) excluded from the gross income of the recipient thereof for Puerto Rico income tax purposes pursuant to Section 1022(b)(4)(B) of the Puerto Rico Internal Revenue Code of 1994, as amended,

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(B) exempt from Puerto Rico income tax and alternative minimum tax pursuant to Section 1022(b)(4)(B) of the Puerto Rico Internal Revenue Code, as amended, Article 8(b) of Act No. 121 of the Legislature of Puerto Rico, and Section 3 of the Puerto Rico Federal Relations Act; and

(C) exempt from Puerto Rico municipal license tax pursuant to Section 9(25) of the Puerto Rico Municipal License Tax Act of 1974, as amended, and Section 3 of the Puerto Rico Federal Relations Act.

3. The bonds are exempt from Puerto Rico personal property tax pursuant Section 3.11 of the Puerto Rico Municipal Property Tax Act of 1991, as amended, and Section 3 of the Puerto Rico Federal Relations Act.

4. The bonds are exempt from Puerto Rico (A) gift tax with respect to donors who are residents of Puerto Rico at the time the gift is made and (B) estate tax with respect to estates of decedents who are residents of Puerto Rico at the time of death, excluding, in each case, United States citizens who acquired their United States citizenship other than by reason of birth or residence in Puerto Rico.

In the opinion of Fiddler Gonzalez & Rodriguez, LLP, bond counsel, based upon the provisions of the Internal Revenue Code now in force and assuming that Doral Properties complies with the source of income covenants contained in the loan and guaranty agreement, then:

1. interest received or accrued, or "original issue discount" within the meaning of the Internal Revenue Code, on the bonds is excludable from gross income for income tax purposes under the Internal Revenue Code if the holder of the bonds is an individual who is a bona fide resident of Puerto Rico during the entire taxable year in which such interest is received or accrued,

2. interest received or accrued, or "original issue discount", on the bonds is not subject to federal income taxation if the holder of the bonds is a corporation organized under the laws of Puerto Rico or any foreign country and the interest is not effectively connected with the conduct of a trade or business in the United States by the corporation, the corporation is not a foreign personal holding company, a controlled foreign corporation or a passive foreign investment company under the U.S. internal revenue code, and the corporation is not treated as a domestic corporation for the purposes of the U.S. internal revenue code; and

3. interest on the bonds is not excludable from the gross income of the recipients thereof for federal income tax purposes under Section 103(a) of the Internal Revenue Code.

United States taxpayers, other than individuals who are bona fide residents of Puerto Rico during the entire taxable year, will be subject to federal income tax on any gain realized upon the sale or exchange of the bonds. Pursuant to Notice 89-40 issued by the United States Internal Revenue Service on March 27, 1989, gain on the sale of the bonds, excluding "original issue discount" accrued under the Internal Revenue Code as of the date of such sale or exchange, by an individual who is a bona fide resident of Puerto Rico during the entire taxable year and that is a resident of Puerto Rico for purposes of Section 865(g)(1) of the Internal Revenue Code will constitute Puerto Rico source income and, therefore, qualify for the exclusion provided in Section 933(l) of the Internal Revenue Code, provided such bonds do not constitute inventory in the hands of

such individual.

The Puerto Rico Internal Revenue code does not provide rules with respect to the treatment of the excess of the amount due at maturity of a bond over its initial offering price ("original issue discount"). Under current administrative practice followed by the Puerto Rico Treasury Department, original issue discount is treated as interest.

You should be aware that ownership of the bonds may result in having a portion of your interest expense allocable to interest on the bonds disallowed for purposes of computing the regular tax and the alternative minimum tax for Puerto Rico income tax purposes.

The opinion of Fiddler Gonzalez & Rodriguez, LLP, bond counsel, regarding the tax consequences under the Internal Revenue Code and the Puerto Rico Internal Revenue Code arising from ownership or disposition of the bonds is limited to the above.

RATING

Doral Financial has applied for ratings on the bonds from Standard & Poor's Ratings Services, Duff & Phelps and Moody's Investors Service, Inc. There is no assurance that any rating given to the bonds will remain in effect for any given period or that it will not be revised downward or withdrawn entirely by Standard & Poor's, Duff & Phelps or Moody's if, in their sole judgment, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market prices of the bonds.

Any rating given to the bonds will reflect only the views of Standard & Poor's, Duff & Phelps and Moody's. An explanation of the significance of any rating may be obtained from Standard & Poor's at 55 Water St., New York, New York 10041; from Duff & Phelps at 55 East Monroe Street, Chicago, Illinois 60608; and from Moody's at 99 Church Street, New York, New York 10007. A rating does not constitute a recommendation to buy, sell or hold the bonds, and each should be evaluated independently of any other rating. There is no assurance that the rating initially assigned to the bonds will not be lowered or withdrawn, which could adversely affect the value of and market the bonds.

Standard & Poor's, Duff & Phelps and Moody's were provided with materials relating to Doral Properties, Doral Financial, the bonds and other relevant information, and no application has been made to any other rating agency for purposes of obtaining a rating on the bonds. In addition, if requested, Doral Properties and Doral Financial shall deliver to Standard & Poor's, Duff & Phelps and Moody's, from time to time, such documents and other relevant information required for purposes of Standard & Poor's, Duff & Phelps and Moody's restating or reconfirming the rating of the bonds.

LEGAL INVESTMENT

The bonds will be eligible for deposit by banks in Puerto Rico to secure public funds and will be approved investments for insurance companies to qualify them to do business in Puerto Rico as required by law.

PLAN OF DISTRIBUTION

Subject to the terms and conditions of a certain bond purchase agreement to be entered into among AFICA, Doral Properties, Doral Financial and the underwriters named on the cover page of this official statement and prospectus (the "bond purchase agreement"), AFICA has agreed to sell to the underwriters, and the underwriters have agreed to purchase from AFICA, all of the bonds listed on the inside front cover page of this official statement and prospectus. The underwriters will purchase the bonds at the public offering price thereof less the underwriting discount set forth below:

<TABLE>
<CAPTION>

	AGGREGATE OFFERING PRICE OF THE BONDS		UNDERWRITING DISCOUNT		PROCEEDS TO DORAL PROPERTIES (1)	
	-----		-----		-----	
<S>	<C>	%	<C>	%	<C>	%
Per bond.....						
Total.....	\$		\$		\$	

</TABLE>

(1) Before deducting expenses of this offering payable by Doral Properties estimated at \$.

Under the terms of the bond purchase agreement, AFICA and Doral Properties

are obligated to sell, and the underwriters are obligated to purchase, all of the bonds shown on the inside front cover page of this official statement and prospectus, if any bonds are purchased.

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The bonds are a new issue of securities with no established trading market. The underwriters have advised Doral Properties that they presently intend to make a market as permitted by applicable laws and regulations. The underwriters are not obligated, however, to make a market in the bonds and any such market making may be discontinued at any time at the sole discretion of the underwriters. Accordingly, no assurance can be given as to the liquidity of, or trading markets for, the bonds.

The underwriters propose initially to offer the bonds to the public, when, as and if issued by AFICA and accepted by the underwriters, at the initial public offering prices set forth or derived from information shown on the inside front cover page of this official statement and prospectus. The initial offering prices may be changed from time to time by the underwriters. The underwriters may offer and sell the bonds to certain dealers (including dealers depositing bonds into investment trusts) and others at prices lower than the initial public offering prices stated or derived from information shown on the inside front cover page hereof.

In connection with this offering, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the market price of the bonds, including stabilizing, syndicate short covering and penalty bid transactions. Such stabilizing, if commenced, may be discontinued at any time.

The bond purchase agreement will provide that the obligations of the underwriters thereunder are subject to approval of certain legal matters by counsel and to various other conditions. The underwriters are committed to purchase all of the bonds if any are purchased.

Doral Properties and Doral Financial have agreed to reimburse the underwriters for their out of pocket expenses (including fees of their counsel) in connection with the sale of the bonds. Doral Properties and Doral Financial have also agreed to indemnify the underwriters and AFICA against certain civil liabilities, including liabilities under the Securities Act of 1933, or to contribute to payments that the underwriters may be required to make in respect thereof.

Doral Securities, Inc., is a wholly-owned subsidiary of Doral Financial and an affiliate of Doral Properties. Accordingly, the offering is being conducted in accordance with Rule 2720 of the National Association of Securities Dealers, Inc.

Several of the underwriters have from time to time been customers of, engaged in transactions with, or performed services for, Doral Financial and its subsidiaries in the ordinary course of business. The underwriters may continue to do so in the future. In addition, Popular, Inc., the parent company of Popular Securities, Inc., one of the underwriters, owns all the outstanding shares of Doral Financial's 8% Preferred Stock. The shares of common stock issuable upon conversion of the 8% Preferred Stock together with other shares of common stock owned by Popular, Inc. equal approximately 4.9% of Doral Financial's outstanding common stock.

CONTINUING DISCLOSURE COVENANT

Doral Financial will enter into a continuing disclosure agreement with the trustee wherein Doral Financial will covenant for the benefit of the holders and the beneficial owners of the bonds to file within 120 days after the end of each fiscal year with each nationally recognized municipal securities information repository ("NRMSIR") and with any Puerto Rico state information depository ("SID"), core financial information and operating data for Doral Financial and its consolidated subsidiaries for such fiscal year, including (1) audited financial statements for Doral Financial prepared in accordance with generally accepted accounting principles in effect from time to time, and (2) operating and financial data generally found or incorporated by reference in this official statement and prospectus. Doral Financial expects to provide this core financial information and operating data by filing with each NRMSIR and with any Puerto Rico SID copies of its Annual Report on Form 10-K, its annual Proxy or Information Statement, and any documents incorporated by reference therein, as filed with the SEC.

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Doral Financial will also covenant to file in a timely manner with each NRMSIR or with the Municipal Securities Rulemaking Board ("MSRB"), and with any Puerto Rico SID, notice of any of the following events with respect to the bonds, if material:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions or events affecting the tax-exempt status of the bonds;
- (7) modifications to rights of bondholders;
- (8) bond calls,
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the bonds; and
- (11) rating changes.

Doral Financial will also covenant to file in a timely manner with each NRMSIR or with the MSRB, and with any Puerto Rico SID, notice of a failure to provide the required annual financial information on or before the specified period.

These covenants have been made in order to assist the Underwriters in complying with paragraph (b) (5) of Rule 15c2-12 of the SEC.

Doral Financial does not undertake to provide the above-described event notice of a scheduled redemption, not otherwise contingent upon the occurrence of an event, if the terms, dates and amounts of redemption are set forth in detail in this official statement and prospectus under "The Bonds -- Mandatory Redemption."

As of the date of this official statement and prospectus, there was no Puerto Rico SID. The nationally recognized municipal securities information repositories are: Bloomberg Municipal Repository, P.O. Box 840, Princeton, New Jersey 08542-0840-1 Kenny Information Systems, Inc., Attn: Kenny Repository Service, 65 Broadway, New York, New York 10006; Thompson NRMSIR, 395 Hudson Street New York, New York 10004, Attn: Municipal Disclosure; and DPC Data Inc., One Executive Drive, Fort Lee, New Jersey 07024.

Doral Financial may from time to time choose to provide notice of the occurrence of certain other events in addition to those listed above if, in its judgment, such other events are material with respect to the bonds, but Doral Financial does not undertake to provide any such notice of the occurrence of any material event except those events listed above.

No bondholder may institute any suit, action or proceeding at law or in equity ("Proceeding") for the enforcement of the foregoing covenants or for any remedy for breach thereof, unless such bondholder shall have filed with Doral Financial written notice of any request to cure such breach, and Doral Financial shall have refused to comply within a reasonable time. All Proceedings shall be instituted only as specified in such Continuing Disclosure Agreement in any federal or Puerto Rico court located in the Municipality of San Juan, and for the equal benefit of all bondholders of the outstanding bonds benefitted by the same or a substantially similar covenant, and no remedy shall be sought or granted other than specific performance by Doral Financial of the covenant at issue. Notwithstanding the foregoing, no challenge to the adequacy of the information provided in accordance with the filings mentioned above may be prosecuted by any bondholder except in compliance with the remedial and enforcement provisions contained in the trust agreement. See "Summary of the Trust Agreement -- Enforcement of Remedies."

The above covenants may only be amended or waived if:

- (1) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of Doral Properties and Doral Financial, the covenants, as amended, or the provision as waived, would have complied with the requirements of the Rule at the time of award of the bonds, after taking into account any amendments or change in circumstance as evidenced by the receipt of an opinion of counsel

experienced in federal securities laws acceptable to the trustee and Doral Financial; and the amendment or waiver does not materially impair the interests of the bondholders, as determined by the trustee or by counsel experienced in federal securities laws acceptable to the trustee and Doral Financial; and

(2) the annual financial information containing, if applicable, the amended operating data or financial information will explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided.

WHERE YOU CAN FIND MORE INFORMATION

Doral Financial files annual, quarterly and current reports, proxy statements and other information with the SEC. Doral Financial has also filed with the SEC a registration statement on Form S-3, to register the securities being offered by this official statement and prospectus. This official statement and prospectus, which forms part of the registration statement, does not contain all of the information included in the registration statement. For further information about Doral Financial and the securities offered in this official statement and prospectus, you should refer to the registration statement and its exhibits.

You may read and copy any document filed by Doral Financial with the SEC at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. Doral Financial files its SEC materials electronically with the SEC, so you can also review Doral Financial's filings by accessing the web site maintained by the SEC at <http://www.sec.gov>. This site contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

The SEC allows Doral Financial to "incorporate by reference" the information it files with them, which means that it can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this official statement and prospectus. Information that Doral Financial files later with the SEC will automatically update and supersede information in this official statement and prospectus. In all cases, you should rely on the later information over different information included in this official statement and prospectus. Doral Financial has previously filed the following documents with the SEC and is incorporating them by reference into this official statement and prospectus:

- Annual Report on Form 10-K for the year ended December 31, 1998;
- Quarterly Report on Form 10-Q for the quarter ended March 31, 1999; and
- Current Reports on Form 8-K, dated January 12, 1999, February 22, 1999, April 8, 1999, May 14, 1999 and July 7, 1999

Doral Financial also incorporates by reference, from the date of the initial filing of the registration statement, all documents filed by it with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934 after the date of this official statement and prospectus and until Doral Financial sells all of the securities being offered by this official statement and prospectus.

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You may request a copy of these filings at no cost, by writing or telephoning Doral Financial at the following address:

Doral Financial Corporation
Attn.: Mario S. Levis, Executive
Vice President & Treasurer
1159 Franklin D. Roosevelt Avenue
San Juan, Puerto Rico 00920
(787) 749-7108

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the bonds are subject to the unqualified approving opinion of Fiddler Gonzalez & Rodriguez, LLP, San Juan, Puerto Rico, Bond Counsel. Certain legal matters will be passed upon for Doral Properties and Doral Financial by Pietrantonio Mendez & Alvarez LLP, San Juan, Puerto Rico, and for the Underwriter by O'Neill & Borges, San Juan, Puerto Rico. As of the date of this official statement and prospectus, attorneys working in Pietrantonio Mendez & Alvarez LLP owned, in the aggregate, approximately 3,468 shares of common stock of Doral Financial.

EXPERTS

The financial statements of Doral Financial as of December 31, 1998 and

1997 and for each of the three years in the period ended December 31, 1998 incorporated by reference in this official statement and prospectus have been incorporated herein in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

PUERTO RICO INDUSTRIAL, TOURIST,
EDUCATIONAL, MEDICAL AND
ENVIRONMENTAL CONTROL
FACILITIES FINANCING AUTHORITY

By: _____
Executive Director

APPROVED:
DORAL PROPERTIES, INC.

By: _____

APPENDIX A
[PROPOSED FORM OF OPINION OF BOND COUNSEL]

, 1999

Puerto Rico Industrial, Tourist, Educational,
Medical and Environmental Control Facilities
Financing Authority
San Juan, Puerto Rico

Gentlemen:

We have examined Act No. 121 of the Legislature of Puerto Rico, approved June 27, 1977, as amended (the "Act"), creating Puerto Rico Industrial, Medical, Educational and Environmental Pollution Control Facilities Financing Authority (the "Authority"), a body corporate and politic constituting a public corporation and governmental instrumentality of Puerto Rico ("Puerto Rico").

We have also examined certified copies of the resolution of the Board of Directors of the Authority authorizing the execution and delivery of the Trust Agreement and the Loan Agreement hereinafter referred to, and certified copies of the proceedings and other proofs submitted relative to the authorization, issuance, and sale of the following bonds (the "Bonds"):

§
PUERTO RICO INDUSTRIAL, TOURIST, EDUCATIONAL, MEDICAL
AND ENVIRONMENTAL CONTROL
FACILITIES FINANCING AUTHORITY
INDUSTRIAL REVENUE BONDS, 1999 SERIES A
(DORAL FINANCIAL CORPORATION CENTER PROJECT)

The Bonds are issued under and pursuant to a Deed of Trust Agreement (the "Trust Agreement"), dated the date hereof, by and between the Authority and _____, San Juan, Puerto Rico, Trustee (the "Trustee").

The proceeds of the sale of the Bonds are to be used for the purpose of financing in part the development, construction, and equipping of a commercial office building with an adjacent parking structure to be known as the Doral Financial Corporation Center the ("Project") to be located in the Municipality of San Juan, Puerto Rico.

The Authority has entered into a Loan and Guaranty Agreement, dated the date hereof (the "Loan Agreement"), with Doral Properties, Inc. (the "Borrower") and Doral Financial Corporation (the "Guarantor") providing for the loan of the proceeds of the sale of the Bonds to the Borrower and for repayment by the Borrower of the loan in amounts sufficient to pay the principal of and interest on the Bonds as the same will become due and payable. The Loan Agreement provides that the loan repayments will be paid directly to the Trustee and will be deposited to the credit of a special fund created by the Trust Agreement and designated "Industrial Revenue Bonds 1999 Series A (Doral Financial Corporation Center Project) Bond Fund" (the "Bond Fund"), which special fund is charged with the payment of the principal of, premium, if any, and interest on the Bonds. The obligations of the Borrower under the Loan Agreement are guaranteed by the Guarantor. The Loan Agreement, except for certain rights of the Authority, and the repayments thereunder, has been assigned to the Trustee.

The Bonds are subject to redemption as provided in the Trust Agreement.

As to any questions of fact material to our opinion, we have relied upon

the certified proceedings and other certifications by officials of the Authority, the Borrower, and the Guarantor without undertaking to verify the same by independent investigation. For the purposes of this opinion we assume that the Borrower and the Guarantor will comply with all provisions of the Loan Agreement, particularly those dealings with the source of income and that the proceeds of the Bonds will be used in accordance with the provisions of the Trust Agreement.

We have also examined one of the Bonds as executed and authenticated.

All capitalized words and terms used in this opinion letter and not otherwise defined herein will have the meanings ascribed to them in the Trust Agreement.

From such examination, we are of the opinion that:

1. The Act is valid.

2. The proceedings of the Board of Directors of the Authority required in connection with the authorization, issuance and sale of the Bonds and the authorization, execution, and delivery of the Loan Agreement and the Trust Agreement have been validly and legally taken.

3. The Trust Agreement and the Loan Agreement have been duly authorized, executed and delivered by the Authority and assuming due authorization, execution and delivery by the other parties thereto, constitute the legal, valid, binding and enforceable obligations of the Authority in accordance with their terms, except to the extent such enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally, and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

4. The Bonds have been duly authorized by the Authority and constitute legal, valid, and binding obligations of the Authority, payable solely from the Bond Fund and entitled to the benefit of the Trust Agreement.

5. All right, title and interest of the Authority in and to the Loan Agreement (except certain rights of the Authority including its rights to payment of expenses indemnity) have been validly assigned to the Trustee.

6. The Bonds do not constitute an indebtedness of either Puerto Rico or any of its political subdivisions, other than the Authority, and neither Puerto Rico nor any of such political subdivisions, other than the Authority, will be liable thereon.

7. The Bonds, and the transfer of the Bonds, including any gain derived upon the sale of the Bonds, are exempt from Puerto Rico income tax pursuant to Article 8(b) of the Act.

8. Interest on the Bonds is (i) excluded from the gross income of the recipient thereof for Puerto Rico income tax purposes pursuant to Section 1022(b)(4)(B) of the Puerto Rico Internal Revenue Code of 1994, as amended (the "PR-Code"); (ii) exempt from Puerto Rico income tax and alternative minimum tax pursuant to Section 1022(b)(4)(B) of the PR-Code, Article 8(b) of the Act, and Section 3 of the Puerto Rican Federal Relations Act (the "PRFRA"); and (iii) exempt from Puerto Rico municipal license tax pursuant to Section 9(25) of the Puerto Rico Municipal License Tax Act of 1974, as amended, and Section 3 of the PRFRA.

9. The Bonds are exempt from Puerto Rico personal property tax pursuant to Section 3.11 of the Puerto Rico Municipal Property Tax Act of 1991, as amended, and Section 3 of the PRFRA.

10. The Bonds are exempt from Puerto Rico (i) gift tax with respect to donors who are residents of Puerto Rico at the time the gift is made and (ii) estate tax with respect to estates of decedents who are residents of Puerto Rico at the time of death, excluding in each case United States citizens who acquired their United States citizenship other than by reason of birth or residence in Puerto Rico.

11. Assuming that the Borrower complies with the source of income representations, warranties and covenants contained in the Loan Agreement, then:

(A) Interest received or accrued, or "original issue discount" (within the meaning of the Code; "OID"), on the Bonds is excludable from gross income pursuant to Section 933(1) of the Code if the holder of the Bonds is an individual who is a bona fide resident of Puerto Rico during the entire taxable year in which the interest is received or accrued.

(B) Interest received or accrued, or OID, on the Bonds is not subject to United States federal income tax if the holder of the Bonds is a corporation organized under the laws of Puerto Rico or any foreign country and such interest is not effectively connected with the conduct of a trade or business in the United States by such corporation, such corporation is not a foreign personal holding company, a controlled foreign corporation or a passive foreign investment company under the Code, and such corporation is not treated as a domestic corporation for the purposes of the Code.

12. Interest on the Bonds is not excluded from the gross income of the recipient thereof for United States federal income tax purposes under Section 103(a) of the Code.

United States taxpayers, other than individuals who are bona fide residents of Puerto Rico during the entire taxable year, will be subject to United States federal income tax on gain realized upon the sale or exchange of the Bonds. Pursuant to Notice 89-40, 1989-1 CB 681, gain on the sale of the Bonds (not including original issue discount accruing under the Code as of the date of such sale or exchange) by an individual who is a bona fide resident of Puerto Rico for purposes of Section 865(g)(1) of the Code will constitute income from sources within Puerto Rico and will qualify for the exclusion provided in Section 933(1) of the Code, provided that the Bonds do not constitute inventory property in such individual's hands.

The PR Code does not provide rules with respect to the treatment of the excess of the amount due at maturity of a bond over its initial offering price ("original issue discount"). Under current administrative practice followed by the Puerto Rico Treasury Department, original issue discount is treated as interest.

Ownership of the Bonds may result in having a portion of the interest expense allocable to interest or original issue discount on the Bonds disallowed for purposes of computing the regular tax and the alternative minimum tax for Puerto Rico income tax purposes.

This opinion is limited to the above, and we express no other opinion regarding Puerto Rico or United States tax consequences arising from ownership or disposition of the Bonds.

This letter is furnished by us solely for the benefit of the Authority and the holders from time to time of the Bonds and may not be relied upon by any other person.

We hereby consent to the inclusion of this opinion as Appendix A to the official statement and prospectus included in the registration statement. We further consent to the reference made to us under the captions "Summary -- Tax Consequences," "Taxation" and "Legal Matters" in the official statement and prospectus.

Respectfully submitted,

[To be signed
"Fiddler Gonzalez & Rodriguez, L.L.P"]

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NO DEALER, SALESPERSON OR OTHER PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED OR INCORPORATED BY REFERENCE IN THIS OFFICIAL STATEMENT AND PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY AFICA, DORAL FINANCIAL, DORAL PROPERTIES OR THE UNDERWRITER OF THE BONDS. THIS OFFICIAL STATEMENT AND PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE BONDS OFFERED HEREBY IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT AND PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF AFICA, DORAL FINANCIAL OR DORAL PROPERTIES SINCE THE DATE HEREOF OR THAT THE OTHER INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

Accounting fees and expenses.....	25,000
Trustee fees and expenses.....	15,000
Rating Agency fees.....	50,000
Miscellaneous expenses.....	46,460

Total.....	\$615,878
	=====

</TABLE>

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

(a) Doral Financial Corporation and Doral Properties, Inc. are Puerto Rico corporations.

(i) Article 1.02(b) (6) of the Puerto Rico General Corporation Act (the "PR GCA") provides that a corporation may include in its certificate of incorporation a provision eliminating or limiting the personal liability of members of its board of directors or governing body for breach of a director's fiduciary duty of care. However, no such provision may eliminate or limit the liability of a director for breaching his duty of loyalty, failing to act in good faith, engaging in intentional misconduct or knowingly violating a law, paying a dividend or approving a stock repurchase which was illegal, or obtaining an improper personal benefit. A provision of this type has no effect on the availability of equitable remedies, such as injunction or rescission, for breach of fiduciary duty. Article Seventh of Doral Financial's Restated Certificate of Incorporation and Doral Properties' Certificate of Incorporation contains such a provision.

(ii) Article 4.08 of the PR GCA authorizes Puerto Rico corporations to indemnify their officers and directors against liabilities arising out of pending or threatened actions, suits or proceedings to which they are or may be made parties by reason of being directors or officers. Such rights of indemnification are not exclusive of any other rights to which such officers or directors may be entitled under any by-law, agreement, vote of stockholders or otherwise. The Restated Certificate of Incorporation of Doral Financial and the Certificate of Incorporation of Doral Properties provide that they shall indemnify their respective directors, officers and employees to the fullest extent permitted by law. Doral Financial also maintains directors' and officers' liability insurance on behalf of its directors and officers.

(b) Section 1 of Article IX of Doral Financial's By-laws (the "By-laws") provides that Doral Financial shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of Doral Financial) by reason of the fact that he is or was a director, officer, employee or agent of Doral Financial or is or was serving at the request of Doral Financial as a director, officer, employer or agent of another corporation or enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of Doral Financial, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

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Section 2 of Article IX of the By-laws provides that Doral Financial shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of Doral Financial to procure a judgment in its favor by reason of the fact that such person acted in any of the capacities set forth above, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted under similar standards set forth in the preceding paragraph, except that no indemnification may be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to Doral Financial unless and only to the extent that the court in which such action or suit was brought shall determine that despite the adjudication of liability, such person is fairly and reasonably entitled to be indemnified for such expenses which the court shall deem proper.

Section 3 of Article IX of the By-laws provides that to the extent a director or officer of Doral Financial has been successful on the merits or otherwise in the defense of any action, suit or proceeding referred to in Sections 1 and 2 of Article IX of the By-laws or in the defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 5 of Article IX of the By-laws provides that Doral Financial shall

pay expenses incurred in defending a civil or criminal action, suit or proceeding in advance of the final disposition of such action, suit or proceeding. Doral Financial must make such advanced payments if it receives an undertaking by or on behalf of any person covered by Section 1 of Article IX of the By-laws to repay such amounts, if it is ultimately determined that he is not entitled to be indemnified by Doral Financial as authorized in Article IX of the By-laws.

Sections 6 and 7 of Article IX of the By-laws provide that indemnification provided for by Sections 1 and 2 of Article IX of the By-laws shall not be deemed exclusive of any other rights to which the indemnified party may be entitled; and that Doral Financial may purchase and maintain insurance on behalf of a director or officer of Doral Financial against any liability asserted against him or incurred by him in any such capacity or arising out of his status as such whether or not Doral Financial would have the power to indemnify him against such liabilities under such Sections 1 and 2 of Article IX of the By-laws.

(c) Doral Properties' By-laws contain provisions that are identical in all respects to those provisions of Doral Financial's By-laws described in (b) above.

ITEM 16. LIST OF EXHIBITS

EXHIBIT NUMBER	DESCRIPTION OF DOCUMENT
1.1*	Bond Purchase Agreement among Doral Properties, Inc., Doral Financial Corporation, Popular Securities, Inc., PaineWebber Incorporated of Puerto Rico, Doral Securities, Inc., Santander Securities Corporation of Puerto Rico and Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority ("AFICA")
4.1**	Loan and Guaranty Agreement among AFICA, Doral Properties, Inc. and Doral Financial Corporation.
4.2**	Trust Agreement between AFICA and Citibank, N.A.
4.3**	Serial Bond (included in Exhibit 4.2 hereof).
4.4**	Term Bond (included in Exhibit 4.2 hereof).
4.5**	Continuing Disclosure Agreement
5**	Opinion of Pietrantonio Mendez & Alvarez LLP regarding legality of securities being registered.
8**	Opinion of Fiddler Gonzalez & Rodriguez, LLP with respect to certain tax matters.

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EXHIBIT NUMBER	DESCRIPTION OF DOCUMENT
12*	Statement of Computation of Ratios of Earnings to Fixed Charges.
23.1**	Consent of Pietrantonio Mendez & Alvarez, LLP (included in Exhibit 5).
23.2**	Consent of Fiddler Gonzalez & Rodriguez, LLP (included in Exhibit 8).
23.3*	Consent of PricewaterhouseCoopers LLP.
24*	Powers of Attorney (included at pages II-4 and II-6).
25**	Statement of Eligibility of Trustee on Form T-1.

* Filed herewith.
 ** To be filed by a pre-effective amendment to this Registration Statement.

ITEM 17. UNDERTAKINGS

The undersigned Co-registrants hereby undertake that for purposes of determining any liability under the Act, each filing of Doral Financial Corporation's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Co-registrants pursuant to the foregoing provisions in Item 15, or otherwise, the Co-registrants have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Co-registrants of expenses incurred or paid by a director, officer or controlling person of the Co-registrants in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Co-registrants will, unless in the opinion of their counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by them is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned Co-registrants hereby undertake that:

(1) For purposes of determining any liability under the Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by any Co-registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering hereof.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the undersigned Co-registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly cause this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in San Juan, Puerto Rico, on the 23rd day of July, 1999.

DORAL FINANCIAL CORPORATION

By: /s/ SALOMON LEVIS

 Salomon Levis
 Chairman of the Board and Chief
 Executive Officer

POWERS OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Salomon Levis and Richard F. Bonini and each of them, each with full power to act without the other, his true and lawful attorneys-in-fact and agents, each with full power of substitution and resubstitution, for him and in his name, place and stead in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and any registration statement relating to the same offering as this Registration Statement that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto each of said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that each of said attorneys-in-fact and agents, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

<TABLE> <CAPTION>	SIGNATURE -----	TITLE -----	DATE ----
<C>	/s/ SALOMON LEVIS	Chairman of the Board and	July 23, 1999
	----- Salomon Levis	Chief Executive Officer	

/s/ RICHARD F. BONINI Richard F. Bonini	Senior Executive Vice President, Chief Financial Officer and Director	July 23, 1999
/s/ RICARDO MELENDEZ Ricardo Melendez	Vice President and Chief Accounting Officer	July 23, 1999
/s/ A. BREAN MURRAY A. Brean Murray	Director	July 23, 1999
/s/ EDGAR M. CULLMAN, JR. Edgar M. Cullman, Jr.	Director	July 23, 1999
John L. Ernst	Director	July 23, 1999

</TABLE>

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<TABLE>
<CAPTION>

SIGNATURE -----	TITLE -----	DATE ----
/s/ EFRAIM M. KIER Efraim M. Kier	Director	July 23, 1999
/s/ ZOILA LEVIS Zoila Levis	Director	July 23, 1999
/s/ VICTOR M. PONS, JR. Victor M. Pons, Jr.	Director	July 23, 1999

</TABLE>

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the undersigned Co-registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in San Juan, Puerto Rico, on the 23rd day of July, 1999.

DORAL PROPERTIES, INC.

By: /s/ SALOMON LEVIS

Salomon Levis
Chairman of the Board and Chief
Executive Officer

POWERS OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints Salomon Levis, Zoila Levis and Mario S. Levis and each of them, each with full power to act without the other, his true and lawful attorneys-in-fact and agents, each with full power of substitution and resubstitution, for him and in his name, place and stead in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and any registration statement relating to the same offering as this Registration Statement that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto each of said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that each of said attorneys-in-fact and agents, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the

capacities and on the dates indicated:

<TABLE> <CAPTION>	SIGNATURE -----	TITLE -----	DATE -----
<C>	/s/ SALOMON LEVIS ----- Salomon Levis	<S> Chairman of the Board and Chief Executive Officer	<C> July 23, 1999
	/s/ ZOILA LEVIS ----- Zoila Levis	President and Director	July 23, 1999
	/s/ MARIO S. LEVIS ----- Mario S. Levis	Executive Vice President, Treasurer (Principal Financial Officer) and Director	July 23, 1999
	/s/ RICARDO MELENDEZ ----- Ricardo Melendez	Vice President and Controller	July 23, 1999

</TABLE>

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INDEX TO EXHIBITS

<TABLE> <CAPTION> EXHIBIT NUMBER -----	DESCRIPTION OF DOCUMENTS -----
<C>	<S>
1.1*	-- Bond Purchase Agreement among Doral Properties, Inc., Doral Financial Corporation, Popular Securities, Inc., PaineWebber Incorporated of Puerto Rico, Doral Securities, Inc., Santander Securities Corporation of Puerto Rico and Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority ("AFICA")
4.1**	-- Loan and Guaranty Agreement among AFICA, Doral Properties, Inc. and Doral Financial Corporation.
4.2**	-- Trust Agreement between AFICA and Citibank, N.A.
4.3**	-- Serial Bond (included in Exhibit 4.2 hereof).
4.4**	-- Term Bond (included in Exhibit 4.2 hereof).
4.5**	-- Continuing Disclosure Agreement
5**	-- Opinion of Pietrantonio Mendez & Alvarez LLP regarding legality of securities being registered.
8**	-- Opinion of Fiddler Gonzalez & Rodriguez, LLP with respect to certain tax matters.
12*	-- Statement of Computation of Ratios of Earnings to Fixed Charges.
23.1**	-- Consent of Pietrantonio Mendez & Alvarez, LLP (included in Exhibit 5).
23.2**	-- Consent of Fiddler Gonzalez & Rodriguez, LLP (included in Exhibit 8).
23.3*	-- Consent of PricewaterhouseCoopers LLP.
24*	-- Powers of Attorney (included at pages II-4 and II-6).
25**	-- Statement of Eligibility of Trustee on Form T-1.

</TABLE>

* Filed herewith.

** To be filed by a pre-effective amendment to this Registration Statement.

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PUERTO RICO INDUSTRIAL, TOURIST, EDUCATIONAL,
MEDICAL AND ENVIRONMENTAL CONTROL
FACILITIES FINANCING AUTHORITY
INDUSTRIAL REVENUE BONDS
1999 SERIES A
(Doral Financial Corporation Center Project)

BOND PURCHASE AGREEMENT

_____, 1999

Puerto Rico Industrial, Tourist,
Educational, Medical and Environmental
Control Facilities Financing Authority
Minillas Government Center
Santurce, Puerto Rico

Attention: Executive Director

Doral Financial Corporation
Doral Properties, Inc.
1159 Franklin D. Roosevelt Avenue
San Juan, Puerto Rico 00920

Attention: President

Ladies and Gentlemen:

The undersigned (hereinafter called the "Underwriters") hereby offer to enter into this Agreement with Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority (hereinafter called the "Authority"), a body corporate and politic constituting a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico (the "Commonwealth"), created under Act No. 121 of the Legislature of Puerto Rico, approved June 27, 1977, as amended (the "Act"), and with Doral Financial Corporation, a corporation organized under the

laws of the Commonwealth ("Doral Financial") and Doral Properties, Inc., a corporation organized under the laws of the Commonwealth and a wholly-owned subsidiary of Doral Financial (the "Borrower"), which upon your acceptance of this offer and of this Agreement will be binding on the Authority, Doral Financial, the Borrower and the Underwriters. This offer is made subject to the acceptance of this Agreement by the Authority, Doral Financial and the Borrower on or before 6:00 P.M., Atlantic Standard time, on _____, 1999, and if not so accepted will be subject to withdrawal by the Underwriters upon notice delivered to the Authority, Doral Financial and the Borrower at any time prior to such acceptance.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements set forth herein, the Underwriters hereby agree to purchase from the Authority and the Authority hereby agrees to sell and to deliver to the Underwriters all but not less than all of the \$44,425,000 principal amount of the Authority's Industrial Revenue Bonds, 1999 Series A (Doral Financial Corporation Center Project) (hereinafter called the "Bonds"), at an aggregate purchase price of \$ consisting of the respective public offering prices of the Bonds, as set forth or derived from information set forth in the Official Statement and Prospectus (hereinafter mentioned) (expressed in dollars), less underwriters' discount in an amount equal to \$), [plus] [minus] original issue [premium] [discount] of \$ _____. The Bonds shall be dated the date of delivery thereof, shall bear interest at such rates, payable on the first day of each month in each year, commencing _____, 1999, until maturity or prior redemption, all as described in the Official Statement and Prospectus.

2. The Bonds and the Official Statement and Prospectus.

(a) The Bonds shall be as described in the Official Statement and Prospectus of the Authority, dated 1999. Such Official Statement and Prospectus (including the cover page and all appendices included therein and all information incorporated by reference therein), as amended or supplemented from time to time, is hereinafter referred to as the "Official Statement and Prospectus." The Bonds shall be issued and secured under and pursuant to a Trust Agreement, to be dated as of , 1999 (the "Trust Agreement"), between the Authority and Citibank, N.A., as trustee (the "Bond Trustee"). The Bonds shall be payable and shall be subject to redemption as provided in the Trust Agreement.

(b) The proceeds from the sale of the Bonds will be loaned by

the Authority to the Borrower pursuant to a Loan and Guaranty Agreement, to be dated as of _____, 1999 (the "Loan and Guaranty Agreement"), between the Authority, the Borrower, and Doral Financial, for the purpose, among other things, of:

(i) financing, in part, the development, construction and equipping of the Doral Financial Corporation Center (the "Project"); and

(ii) paying certain expenses incurred in connection with the issuance and sale of the Bonds.

(c) The obligations of the Borrower under the Loan and Guaranty Agreement will be guaranteed by Doral Financial.

(d) Concurrently with its acceptance hereof, the Authority shall deliver to the Representative (hereinafter referred to):

(i) a certified copy of the resolution or

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resolutions of the Authority (collectively, the "Bond Resolution") approved and adopted by the Board of Directors of the Authority on _____, 1999 authorizing the issuance and sale of the Bonds; and

(ii) a copy of the Official Statement and Prospectus manually signed on behalf of the Authority by the Executive Director or the Assistant Executive Director of the Authority, or any person authorized to act on his behalf pursuant to the by-laws of the Authority, and approved by the Borrower.

The Authority will provide to the Representative such additional copies of the Bond Resolution and the Official Statement and Prospectus as the Representative may reasonably request. As soon as practicable (but not later than two days) after the date hereof, the Authority shall deliver to the Underwriters a sufficient number of copies of the Official Statement and Prospectus as the Underwriters may reasonably request so as to enable the Underwriters to comply with the provisions of Paragraph (b) (4) of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended (the "Rule"). The Authority shall be under no obligation to determine what number of copies of the Official Statement and Prospectus requested by the Underwriters pursuant to the preceding sentence shall be sufficient to enable the Underwriters to comply with the requirements of the Rule.

The Authority has previously delivered to the Underwriters a Preliminary Official Statement and Prospectus of the Authority, dated July __,

1999, relating to the Bonds (such Preliminary Official Statement and Prospectus, including all appendices thereto, and all information included or incorporated by reference therein, being herein called the "Preliminary Official Statement and Prospectus").

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(e) Concurrently with its acceptance hereof, the Borrower shall deliver to the Representative a letter signed and dated the date hereof and addressed to the Underwriters from Pricewaterhouse Coopers LLP, independent certified public accountants, to the effect that such accounting firm confirms that it is an independent certified public accountant with respect to Doral Financial and the Borrower within the meaning of Rule 101 of the Code of Professional Conduct of the American Institute of Certified Public Accountant and stating that on the basis of a reading of the latest available interim unaudited financial statements made available to them, inquiries of officers of Doral Financial and the Borrower responsible for financial and accounting matters and other specified procedures set forth in such letter, nothing came to their attention that caused them to believe that (A) at the date of the latest available interim financial statements of Doral Financial and the Borrower read by such accountants and at a subsequent specified date not more than five business days prior to the date of such letter, there was, with respect to Doral Financial and the Borrower, any change in the capital stock, deposits, securities sold under agreements to repurchase, notes payable, loans payable or any decrease in stockholders' equity of the Borrower, Doral Financial and its subsidiaries consolidated with amounts shown as of the dates of the financial statements of Doral Financial and the Borrower included in the Official Statement and Prospectus or (B) for the period from December 31, 1998, to the date of the latest available interim financial statements of Doral Financial and the Borrower read by such accountants and the period from the date of such interim financial statements to a specified date not more than five business days prior to the date of such letter, there was any decrease, as compared with the corresponding periods of the previous year, in net income, except in all cases set forth in clauses (A) and (B) above for changes, increases or decreases which the Official Statement and Prospectus discloses

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have occurred, and they have compared specified dollar amounts (or percentages derived from such dollar amounts) and other financial information contained in the Official Statement and Prospectus (in each case to the extent that such dollar amounts, percentages and other financial information are derived from the general accounting records of Doral Financial and the Borrower subject to the internal controls of the accounting system of Doral Financial and the Borrower or are derived directly from such records by analysis or computation) with the

results obtained from inquiries, a reading of such general accounting records and other procedures specified in such letter and have found such dollar amounts, percentages and other financial information to be in agreement with such results.

(f) In order to allow the Underwriters to comply with the Rule, the Borrower will enter into a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") with the Trustee no later than the Closing Date.

3. Authority of the Representative. The Underwriters represent that Popular Securities, Inc. (the "Representative") has been duly authorized by the Underwriters to act hereunder on behalf of the other Underwriters and shall have full authority to execute this Agreement and to take such actions as it may deem advisable in respect of all matters pertaining to this Agreement. Any action taken under this Agreement by the Representative will be binding upon all the Underwriters.

4. Public Offering. The Underwriters agree to make a bona fide public offering of the Bonds at the offering prices set forth in the Official Statement and Prospectus. The Underwriters may offer to sell the Bonds to certain dealers and others at prices lower

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than the initial public offering prices, and such offering prices may be changed, from time to time, by the Underwriters. The Authority, Doral Financial and the Borrower authorize the Underwriters to use copies of the Official Statement and Prospectus and any amendments or supplements thereto and the information contained therein and copies of the Bond Resolution, the Loan and Guaranty Agreement and the Trust Agreement in connection with the public offering and sale of the Bonds, and Doral Financial, the Borrower and the Authority agree not to supplement or amend, or cause to be supplemented or amended, the Official Statement and Prospectus, the Bond Resolution, the Loan and Guaranty Agreement or the Trust Agreement at any time prior to the date of delivery and payment of the Bonds pursuant to Paragraph 8 hereof (such payment and delivery and the other actions contemplated hereby to take place at the time of such payment and delivery being hereafter sometimes called the "Closing") without the prior written consent of the Underwriters.

5. Representations, Warranties and Agreements of the Authority. The Authority hereby represents, warrants and agrees as follows:

(a) the Authority is a body corporate and politic constituting a public corporation and governmental instrumentality of the Commonwealth duly constituted and existing under the laws of the Commonwealth and has, and at the

date of the Closing will have, full right, power and authority (i) to enter into this Agreement, the Trust Agreement, the Loan and Guaranty Agreement and the Letter of Representations relating to the Bonds (the "DTC Agreement") from the Authority and the Trustee to The Depository Trust Company, New York, New York ("DTC"), (ii) to adopt the Bond Resolution, (iii) to issue and sell the Bonds pursuant to the Trust Agreement and to

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deliver or cause to be delivered the Bonds to or for the account of the Underwriters as provided herein, (iv) to perform all of the transactions contemplated by the Official Statement and Prospectus, the Trust Agreement, the Loan and Guaranty Agreement, the Bond Resolution, the DTC Agreement and this Agreement and (v) to approve, execute and deliver the Official Statement and Prospectus;

(b) the Authority has duly adopted the Bond Resolution, has duly authorized the execution and delivery of the Bonds, the Official Statement and Prospectus, the Trust Agreement, the Loan and Guaranty Agreement, the DTC Agreement and this Agreement and is duly authorized to perform the obligations to be performed by the Authority under the Bond Resolution, the Bonds, the Trust Agreement, the Loan and Guaranty Agreement, the Official Statement and Prospectus, the DTC Agreement and this Agreement;

(c) the Authority is not, and at the time of the Closing will not be, in breach of or in default under any applicable law (including, without limitation, any administrative rulemaking law) or administrative regulation of the Commonwealth, any applicable judgement or decree or any indenture, Loan and Guaranty Agreement, note, resolution, agreement or other instrument to which the Authority is a party or otherwise subject, which breach or default would in any way materially adversely affect the Bond Resolution, this Agreement, the Trust Agreement, the Loan and Guaranty Agreement, the DTC Agreement, the Official Statement and Prospectus or the issuance of the Bonds, and no event has occurred and is continuing which with the passage of time or giving of notice, or both, would constitute such a breach or default; and the due authorization, execution and delivery by the Authority of this Agreement, the Loan and Guaranty Agreement, the Trust Agreement, the DTC Agreement, the Official Statement and Prospectus and the issuance, sale and delivery of the Bonds, the adoption of the Bond

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Resolution by the Authority and compliance with the provisions hereof and thereof will not conflict with or constitute a breach of or default under any law (including, without limitation, any administrative rulemaking law),

administrative regulation, judgement, decree or any agreement or other instrument to which the Authority is a party or otherwise subject; nor will any such execution, delivery, issuance, sale, adoption or compliance result in the creation or imposition of any lien, charge, encumbrance or security interest of any nature whatsoever upon any of the revenues, property or assets of the Authority except as expressly provided or permitted hereby and by the Trust Agreement, the Loan and Guaranty Agreement, the Bond Resolution, the DTC Agreement, the Official Statement and Prospectus and the Bonds;

(d) all authorizations, approvals, licenses, consents and orders of any governmental authority or agency having jurisdiction of the matter which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Authority of its obligations hereunder have been or will by the Closing be obtained;

(e) at the Closing Date (hereinafter mentioned), the Bonds, the Bond Resolution, the Loan and Guaranty Agreement, the Trust Agreement, the DTC Agreement and this Agreement will constitute the legal, valid and binding obligations of the Authority enforceable in accordance with their respective terms, except to the extent enforcement thereof may be limited by bankruptcy, insolvency, or other similar laws affecting creditors' rights generally or may be subject to general principles of equity (regardless of whether such enforceability shall be considered in a proceeding in equity or at law);

(f) there is no action, suit, proceeding, inquiry or

investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the Authority, threatened against the Authority affecting the existence or powers of the Authority or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Bond Resolution, this Agreement, the Trust Agreement, the Loan and Guaranty Agreement, the DTC Agreement or contesting the powers of the Authority with respect to or any authority for the issuance of the Bonds, the adoption of the Bond Resolution, the execution, delivery or performance of this Agreement, the Trust Agreement, the Loan and Guaranty Agreement, or the DTC Agreement, or, to the knowledge of the Authority, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated hereby or by the Official Statement and Prospectus or the validity or enforceability of the Bonds, the Bond Resolution, this Agreement, the Trust Agreement, the Loan and Guaranty Agreement, or the DTC Agreement;

(g) the Bonds, when sold to the Underwriters as provided

herein and issued and delivered in accordance with the Trust Agreement, will be validly issued and outstanding obligations of the Authority entitled to the benefits of the Trust Agreement;

(h) the information in the Official Statement and Prospectus under the captions "AFICA," "Government Development Bank for Puerto Rico" and "Legal Investment" does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading;

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(i) the Authority agrees to cooperate with the Underwriters and their counsel in any endeavor to qualify the Bonds for offering and sale under the securities or blue sky laws of such jurisdictions of the United States as the Underwriters may request, provided that the Authority shall not be required to execute a general consent to service of process or qualify to do business in connection with any such qualification in any such jurisdiction, and the Authority consents to the lawful use of the Preliminary Official Statement and Prospectus and the Official Statement and Prospectus by the Underwriters in obtaining such qualifications;

(j) if between the date of this Agreement and the date that is twenty-five days after the end of the "underwriting period" (as defined in the Rule) the Authority becomes aware of the existence or occurrence of any event which would or might cause the Official Statement and Prospectus, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Authority shall promptly notify the Underwriters thereof;

(k) as of its date, the Preliminary Official Statement and Prospectus was deemed "final" by the Authority for purposes of paragraph (b) (1) of the Rule and omitted therefrom only such information permitted to be omitted therefrom by the Rule; and

(l) the Authority will provide, or direct the provision of, all information that may be required by the Securities and Exchange Commission pursuant to the Rule and any future amendments thereto to the extent such amendments are deemed applicable to the Authority and/or the Bonds.

6. Representations, Warranties and Agreements of Doral Financial and the Borrower. Doral Financial and the Borrower, jointly and severally, hereby represent and warrant to, and agree with, the Authority and the Underwriters as follows:

(a) Each of the Borrower and Doral Financial confirms its representations, warranties and agreements set forth in the Loan and Guaranty Agreement.

(b) A fully executed counterpart of the Loan and Guaranty Agreement, duly executed by Doral Financial and the Borrower, shall be delivered by Doral Financial and the Borrower at the Closing, in the form theretofore submitted to the Underwriters and the Authority and approved by the Underwriters and the Authority, with only such changes or modifications thereof as the Underwriters, the Authority, Doral Financial and the Borrower shall agree upon.

(c) Doral Financial is a bank holding company registered under the Bank Holding Company Act of 1956 and duly organized, validly existing and in good standing under the laws of the Commonwealth, and the Borrower is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth, each with power and authority to conduct their businesses as described in the Official Statement and Prospectus and to consummate the transactions contemplated by the Loan and Guaranty Agreement, the Continuing Disclosure Agreement and this Agreement.

(d) By official action of the Borrower prior to or concurrently with the acceptance hereof, the Borrower has ratified the distribution of the Preliminary Official Statement and

Prospectus and approved the distribution of the Official Statement and Prospectus.

(e) Doral Financial meets the requirements for the use of Form S-3 under the Securities Act of 1933, as amended (the "Securities Act") and the rules and regulations (collectively referred to as the "Rules and Regulations") of the Securities and Exchange Commission (the "Commission") thereunder, and has filed with the Commission a registration statement on such Form for registration under the Securities Act of the offering and sale of the Bonds, including the Official Statement and Prospectus, and has filed those amendments to such registration statement as may have been required to the date of this Agreement. Such registration statement has been declared effective by the Commission. The

Commission has not issued any order preventing or suspending the use of the Official Statement and Prospectus or instituted or, to the knowledge of Doral Financial or the Borrower, threatened any proceeding for that purpose. Copies of such registration statement and amendments and of the Official Statement and Prospectus have been delivered to the Representative. A final Official Statement and Prospectus relating to the Bonds containing information permitted to be omitted at the time of effectiveness by Rule 430A will be filed by Doral Financial with the Commission in accordance with Rule 424(b) of the Rules and Regulations promptly after execution and delivery of this Agreement. The term "Registration Statement" means the registration statement as amended at the time it became effective (the "Effective Date"), including all financial statements and schedules and all exhibits and documents incorporated therein by reference and all information contained in the Official Statement and Prospectus filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations and deemed to be included therein as of the Effective Date by Rule 430A of the Rules and Regulations and including any registration statement

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filed pursuant to Rule 462(b) of the Rules and Regulations (a "Rule 462 Registration Statement") increasing the size of the offering. References herein to any document or other information incorporated by reference in the Registration Statement shall include documents or other information incorporated by reference in the Official Statement and Prospectus. References herein to the Preliminary Official Statement and Prospectus or the Official Statement and Prospectus shall be deemed to include all documents and information incorporated by reference therein and shall be deemed to refer to and include any documents and information filed after the date of such Preliminary Official Statement and Prospectus or such Official Statement and Prospectus, as the case may be, and so incorporated by reference under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

(f) On the date that the Registration Statement containing the Preliminary Official Statement and Prospectus was filed with the Commission, on the date that the Official Statement and Prospectus is first filed with the Commission pursuant to Rule 424(b), at all-times subsequent to and including the day of the Closing and when any post-effective amendment to the Registration Statement becomes effective or any amendment or supplement to the Official Statement and Prospectus is filed with the Commission, the Registration Statement, the Preliminary Official Statement and Prospectus and the Official Statement and Prospectus (as amended or as supplemented if Doral Financial shall have filed with the Commission any amendment or supplement thereto), including the financial statements included or incorporated by reference in the Official Statement and Prospectus, did or will comply with all applicable provisions of the Securities Act and the Rules and Regulations and did or will contain all statements required to be stated therein in accordance with the Securities Act and the Rules and Regulations. On the Effective Date and when any post-effective

amendment to the Registration Statement becomes effective, no part of the Registration Statement or any such amendment did or will contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading. At the Effective Date, at the date the Official Statement and Prospectus or any amendment or supplement to the Official Statement and Prospectus is filed with the Commission, and at the day of the Closing, the Official Statement and Prospectus did not or will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The foregoing representations and warranties in this Section 6(f) do not apply to any statements or omissions made in reliance on and in conformity with information relating to the Underwriters furnished in writing to Doral Financial by the Representative specifically for inclusion in the Preliminary Official Statement and Prospectus or the Official Statement and Prospectus under the heading "Plan of Distribution". There are no contracts or other documents required to be filed as exhibits to the Registration Statement by the Securities Act or the Rules and Regulations that have not been so filed. The documents which are incorporated by reference in any Preliminary Official Statement and Prospectus or the Official Statement and Prospectus or from which information is so incorporated by reference, when they became effective or were filed with the Commission, as the case may be, complied in all material respects with the requirements of the Securities Act and the Rules and Regulations or the Exchange Act and the rules and regulations thereunder, as applicable, and did not, when such documents were so filed, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, and any documents so

filed and incorporated by reference subsequent to the effective date of the Registration Statement shall, when they are filed with the Commission, conform in all material respects with the requirements of the Securities Act and the Rules and Regulations and the Exchange Act and the rules and regulations thereunder, as applicable.

(g) Except as described in the Registration Statement and the Official Statement and Prospectus, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the knowledge of Doral Financial or of the Borrower,

threatened (A) to restrain or enjoin the issuance or delivery of any of the Bonds, the application of the proceeds thereof, or the execution, delivery or performance of the Loan and Guaranty Agreement, the Continuing Disclosure Agreement or this Agreement; (B) in any way contesting the corporate existence or powers of Doral Financial or the Borrower; (C) in any way contesting or affecting the payment, collection or application of the revenues pursuant to the Loan and Guaranty Agreement; or (D) except as described in the Registration Statement and the Official Statement and Prospectus, against or affecting Doral Financial or the Borrower, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Agreement, or the Official Statement and Prospectus, or which, in any way, would materially adversely affect the validity or enforceability of the Bonds, the Loan and Guaranty Agreement, the Continuing Disclosure Agreement or this Agreement, or any other agreement or instrument to which Doral Financial or the Borrower is a party and which is used or contemplated for use in connection with the transactions contemplated hereby or by the Official Statement and Prospectus or would have a material adverse effect on the condition, business, financial or otherwise, of Doral Financial or the Borrower.

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(h) The Loan and Guaranty Agreement, the Continuing Disclosure Agreement and this Agreement, when executed and delivered by Doral Financial and the Borrower, will be legal, valid and binding obligations of Doral Financial and the Borrower enforceable in accordance with their terms, except to the extent enforcement thereof may be limited by bankruptcy, insolvency, or other similar laws affecting creditors' rights generally or by general principles of equity (regardless of whether such enforceability shall be considered in a proceeding in equity or at law).

(i) (i) The execution, delivery and performance by Doral Financial and the Borrower of this Agreement, the Registration Statement, the Official Statement and Prospectus, the Loan and Guaranty Agreement, the Continuing Disclosure Agreement and the borrowings under the Loan and Guaranty Agreement:

(A) have been duly authorized by all requisite corporate action;

(B) will not violate (1) any provision of law or any order of any court or any rule, regulation or order of any other agency of government, (2) the Certificate of Incorporation or by-laws of Doral Financial or of the Borrower, or (3) any indenture, agreement or other instrument to which Doral Financial or the Borrower is a party, or by which it or any of its properties are or may be bound;

(C) will not be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under any indenture, agreement or other instrument referred to in clause (B) (3) above; and

(D) will not result in the creation or

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imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of Doral Financial or the Borrower, except as contemplated by the Registration Statement and the Official Statement and Prospectus; and

(ii) no registration with or consent or approval of, or other action by, any Federal, state, Commonwealth or other governmental authority or regulatory body, foreign or domestic, is required in connection with the execution, delivery and performance by Doral Financial or the Borrower of this Agreement, the Loan and Guaranty Agreement or the Continuing Disclosure Agreement.

(j) The Borrower and Doral Financial agree and consent that the Bond Trustee shall have, pursuant to the provisions of the Trust Agreement, a valid assignment of all payments due to, and certain other rights of, the Authority under the Loan and Guaranty Agreement, subject to no prior rights of other creditors.

(k) Doral Financial and the Borrower have received and there remain currently in full force and effect all governmental consents and approvals necessary at this time which would constitute a condition precedent to, or the failure to obtain which would materially adversely affect, the performance by the Borrower of its obligations under the Loan and Guaranty Agreement, the Continuing Disclosure Agreement or this Agreement.

(l) Doral Financial and the Borrower have received and there remain currently in full force and effect all permits, licenses, accreditations and certifications necessary to conduct their businesses as presently being conducted. No consent, approval, authorization or order of, or any filing or declaration with, any governmental body is required for the consummation of the

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transactions contemplated by this Agreement or in connection with the issuance

and sale of the Bonds, except such as have been obtained and such as may be required under the securities laws of the Commonwealth or the various states of the United States or the by-laws and rules of the National Association of Securities Dealers, Inc. (the "NASD") in connection with the purchase and distribution by the Underwriters of the Bonds.

(m) Neither Doral Financial nor the Borrower is a party to any contract or agreement or subject to any charter or other restriction not disclosed in the Official Statement and Prospectus, the performance of or compliance with which may have a material adverse effect on the condition or business, financial or otherwise, of Doral Financial or of the Borrower.

(n) Doral Financial and the Borrower have deemed the Preliminary Official Statement and Prospectus "final" as of its date within the meaning of paragraph (b) (4) of the Rule and omitted therefrom only information permitted to be omitted therefrom by the Rule.

(o) Any certificate signed by an authorized representative of Doral Financial or of the Borrower delivered to the Authority or the Underwriters shall be deemed a representation and warranty by Doral Financial or the Borrower to such parties as to the statements made therein.

(p) The Borrower and Doral Financial will provide, or direct the provision of, all information that may be required by the Commission pursuant to the Rule and any future amendments thereto to the extent such amendments are deemed applicable to the Borrower, Doral Financial and/or the Bonds.

7. Covenants of Doral Financial and the Borrower. Doral Financial and the Borrower, jointly and severally, agree to the following:

(a) No amendment or supplement to the Registration Statement or the Official Statement and Prospectus will be filed, either prior to the Effective Date or thereafter, during such period as the Official Statement and Prospectus is required by law to be delivered in connection with the sale of the Bonds, unless a copy thereof shall first have been submitted to the Representative within a reasonable period of time prior to the filing thereof and the Representative shall not have objected thereto in good faith.

(b) Doral Financial will notify the Representative promptly, and will confirm such advice in writing, (i) when any post-effective amendment to the Registration Statement becomes effective, (ii) of any request by the Commission for amendments or supplements to the Registration Statement or the Official Statement and Prospectus or for additional information, (iii) of the issuance by the Commission of any stop order suspending the effectiveness of the

Registration Statement or the initiation of any proceedings for that purpose or the threat thereof, (iv) of the happening of any event that in the judgment of the Doral Financial makes any statement of a material fact made in the Registration Statement or the Official Statement and Prospectus untrue or that requires the making of any changes in the Registration Statement or the Official Statement and Prospectus in order to make the statements therein, in light of the circumstances in which they are made, not misleading and (v) of receipt by Doral Financial or the Borrower of any other communication from the Commission relating to the Borrower, Doral Financial, the Registration Statement, any Preliminary Official Statement and Prospectus or the Official

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Statement and Prospectus. If at any time the Commission shall issue any order suspending the effectiveness of the Registration Statement, Doral Financial will make every reasonable effort to obtain the withdrawal of such order at the earliest possible moment.

Doral Financial and the Borrower will prepare the Official Statement and Prospectus in a form approved by the Representative and will file such Official Statement and Prospectus pursuant to Rule 424(b) under the Securities Act not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement or, if applicable, such earlier time as may be required by Rule 430A(a)(3) under the Securities Act. If Doral Financial has omitted any information from the Registration Statement pursuant to Rule 430A, Doral Financial will use its best efforts to comply with the provisions of and make all requisite filings with the Commission pursuant to said Rule 430A and to notify the Representatives promptly of all such filings.

(c) If Doral Financial elects to rely upon Rule 462(b) of the Rules and Regulations, the Company shall file the Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) of the Rules and Regulations by [10:00 p.m.,] Washington, D.C. time, on the date of this Agreement, and Doral Financial shall at the time of filing, either pay to the Commission the filing fee for the Rule 462(b) Registration Statement or give irrevocable instructions for the payment of such fee pursuant to Rule 111 (b) of the Rules and Regulations.

(d) If, at any time when the Official Statement and Prospectus relating to the Bonds is required to be delivered under the Securities Act or the Rule, any event occurs as a result of

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which, in the judgment of Doral Financial or the Borrower or in the opinion of counsel for the Underwriters, the Official Statement and Prospectus, as then amended or supplemented, would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or the Registration Statement, as then amended or supplemented, would include any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein not misleading, or if for any other reason it is necessary at any time to amend or supplement the Official Statement and Prospectus or the Registration Statement to comply with the Securities Act or the Rules and Regulations, Doral Financial will promptly notify the Representative thereof and, subject to Section 7(a) hereof, will prepare and file with the Commission, at Doral Financial's expense, an amendment to the Registration Statement or an amendment or supplement to the Official Statement and Prospectus that corrects such statement or omission or effects such compliance.

(e) Doral Financial and the Borrower will comply with all the provisions of all undertakings contained in the Registration Statement.

(f) The Borrower will apply the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Loan and Guaranty Agreement and the Official Statement and Prospectus.

(g) Between the date of this Agreement and the date of the Closing, not, without the prior written consent of the Underwriters, to offer or issue any industrial revenue bonds exempted to Puerto Rico residents, direct or contingent, nor to

cause any adverse change of a material nature in the financial position, results of operations or condition, in either case, other than in the ordinary course of business and except as disclosed in the Official Statement and Prospectus.

(h) Doral Financial and the Borrower will provide the Underwriters with sufficient copies of any supplement or amendment to the Official Statement and Prospectus as the Representative reasonably requests so as to enable the Underwriters to comply with the provisions of paragraph (b) (4) of the Rule. The Borrower shall be under no obligation to determine whether the number of copies requested by the Representative of any amendment or supplement to the Official Statement and Prospectus pursuant to the preceding sentence shall be sufficient to enable the Underwriters to comply with the requirements of the Rule. The Representative shall promptly notify the Borrower of the end of

the underwriting period (as defined in the Rule).

(i) The Borrower and Doral Financial will furnish such information and execute such instruments as the Underwriters may reasonably request (i) to (A) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriters may designate and (B) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (ii) to continue such qualifications in effect so long as required for the distribution of the Bonds, provided that Doral Financial or the Borrower shall not be required to execute a general consent to service of process or qualify to do business in connection with any such qualification or determination in any such jurisdiction.

(j) The Borrower and Doral Financial will advise the

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Underwriters immediately of receipt by Doral Financial of the Borrower of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

(k) The Borrower and Doral Financial will use their best efforts to obtain when needed all consents, approvals, authorizations and orders of governmental or regulatory authorities that are required for the performance of their obligations under the Loan and Guaranty Agreement.

8. The Closing. At 10:00 a.m., Atlantic standard time, on _____, 1999, or at such later time or date as may be mutually agreed upon by the Authority, the Borrower and the Underwriters (such date being herein sometimes called the "Closing Date"), the Authority will cause the Bond Trustee to deliver the Bonds to or for the account of the Underwriters in definitive form and duly executed and authenticated, and, subject to the terms and conditions hereof, the Underwriters will accept such delivery and pay the purchase price for the Bonds in immediately available funds as set forth in Paragraph 1 hereof to the Bond Trustee. Delivery of the Bonds shall be made to DTC in such manner as shall be mutually agreed upon by the Authority, the Borrower and the Representative. Delivery of the other documents provided for herein to be made at the Closing and payment for the Bonds as aforesaid shall take place at the office of Pietrantonio, Mendez & Alvarez, San Juan, Puerto Rico, or at such other place as shall have been mutually agreed upon by the Authority, the Borrower and the Underwriters.

9. Conditions of Underwriters' Obligation to Purchase. The obligation

of the Underwriters to purchase and accept delivery of the Bonds is subject to the accuracy of the representations and

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warranties of the Authority, Doral Financial and the Borrower herein and in the Loan and Guaranty Agreement, to the accuracy of the statements of officers or representatives of the Authority, Doral Financial and the Borrower made pursuant to the provisions hereof, to the performance by the Authority, Doral Financial and the Borrower of their respective obligations hereunder to be performed at or prior to the Closing, and to the following additional conditions precedent:

(a) The Official Statement and Prospectus, the Loan and Guaranty Agreement, this Agreement, the Trust Agreement, the Continuing Disclosure Agreement, the DTC Agreement and the Bonds shall have been duly authorized, executed and delivered, all in form satisfactory to the Underwriters and shall constitute valid and binding agreements of the parties thereto.

(b) The Representative shall have received (i) evidence, reasonably satisfactory to the Representative, of the due authorization, execution and delivery of, and executed copies of, the documents mentioned in clause (a) of this Paragraph 9 by the parties thereto, (ii) an opinion of counsel for Doral Financial and the Borrower acceptable in form and substance to the Underwriters, (iii) appropriate certificates reasonably satisfactory to the Representative covering litigation and compliance with laws and prior agreements, and with respect to the status of all necessary permits and requirements, and (iv) evidence that the Registration Statement has become effective and is effective as of the date of the Closing.

(c) The Representative shall have received a copy, duly certified by the Secretary or an Assistant Secretary of the Authority, of the Bond Resolution and shall also have received certified copies of any required approvals referred to in Paragraph

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5(d) hereof.

(d) The Representative shall have received copies, duly certified by the Secretary or an Assistant Secretary of Doral Financial and the Borrower of the resolutions or other corporate action referred in Paragraph 6(i) hereof.

(e) The Representative shall have received an opinion of

counsel for the Authority acceptable in form and substance to the Underwriters, acceptable in form and substance to the Underwriters.

(f) The Representative shall have received the approving opinion on the Bonds of Fiddler, Gonzalez & Rodriguez, LLP, Bond Counsel, substantially in the form attached as Appendix IV to the Official Statement and Prospectus and a supplemental opinion of Fiddler, Gonzalez & Rodriguez, LLP, Bond Counsel, acceptable in form and substance to the Underwriters.

(g) The Representative shall have received a manually signed copy of the letter, addressed to the Underwriters, dated the Closing Date, of Pricewaterhouse Coopers LLP to the effect that such accounting firm reaffirms as of such Closing Date and as though made at such date, the statements made in the letter furnished to the Underwriters by such accountants pursuant to paragraph 2(e) hereof, except that references to the date referred to in such letter as the most recent date through which such accountants have performed their work will be a date not more than five (5) business days prior to the Closing Date.

(h) The Representative shall have received a certificate, dated the Closing Date, of the Executive Director or the Assistant Executive Director of the Authority to the effect that: (i) the Authority has duly performed and complied with all agreements and

conditions and all of its obligations required to be performed at or prior to the Closing Date, each of its representations and warranties contained herein and in the Loan and Guaranty Agreement are true and correct as of the Closing Date and at the time of Closing no event of default or default shall have occurred and be continuing with respect to the Bonds; (ii) the Authority has duly adopted the Bond Resolution and has authorized, by all necessary action, the execution, delivery, receipt and due performance of this Agreement, the Bonds, the Official Statement and Prospectus, the Trust Agreement, the Loan and Guaranty Agreement, the DTC Agreement and any and all such other agreements and documents as may be required to be executed, delivered and received by it in order carry out, give effect to and consummate the transactions contemplated hereby and thereby; (iii) no litigation is pending, or to his knowledge threatened, to restrain or enjoin the issuance or sale of the Bonds or in any way affecting as to the Authority any authority for or the validity of the Bonds, the Official Statement and Prospectus, the Trust Agreement, the Loan and Guaranty Agreement, this Agreement, the Bond Resolution, the DTC Agreement or in any way contesting the Authority's existence or powers; and (iv) the adoption and performance by the Authority of the Bond Resolution and the execution, delivery, receipt and due performance of the Bonds, the Official Statement and Prospectus, the Trust Agreement, the Loan and Guaranty Agreement, this Agreement, the DTC Agreement and the other agreements contemplated hereby and the Authority's compliance with the provisions hereof and thereof will not

conflict with or constitute on the Authority's part a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage, lease or other instrument to which the Authority is subject or by which it is or may be bound.

(i) The Representative shall have received a

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certificate, dated the Closing Date, of an authorized representative of Doral Financial and of the Borrower to the effect that (i) each of the representations and warranties of the Borrower contained in this Agreement, the Loan and Guaranty Agreement and the Continuing Disclosure Agreement is true and correct as of the Closing Date, (ii) each of the agreements of the Borrower to be complied with and each of the obligations to be performed by Doral Financial and the Borrower under this Agreement, the Loan and Guaranty Agreement or the Continuing Disclosure Agreement on or prior to the Closing Date have been complied with and performed, (iii) the conditions or acts that are disclosed in the Official Statement and Prospectus as occurring prior to the Closing Date have occurred, (iv) as of the Closing Date and except as may be disclosed in the Official Statement and Prospectus, there has been no material adverse change in the financial position of Doral Financial or the Borrower since the date of the financial statements incorporated by reference in the Official Statement and Prospectus, (v) no event of default under this Agreement or the Loan and Guaranty Agreement, or event which with giving of notice or lapse of time or both would constitute an event of default under any such document, has occurred and is continuing or will occur as a result of the transactions to take place at Closing, and (vi) no event affecting Doral Financial or the Borrower has occurred since the date of the Official Statement and Prospectus that either makes untrue or incorrect in any material respect any statement or information concerning Doral Financial or the Borrower contained in the Official Statement and Prospectus or is not reflected in the Official Statement and Prospectus but should be reflected therein or that is necessary to make the statements and information therein concerning the Borrower not misleading.

(j) The Representative shall have received an opinion of O'Neill & Borges, counsel to the Underwriters, acceptable in form

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and substance to the Underwriters.

(k) The Representative shall have received a copy of the certificate of incorporation of Doral Financial and of the Borrower, as amended,

certified as of a recent date by the appropriate officer of the Commonwealth, together with certificates dated as of a recent date from the Secretary of State of the Commonwealth as to the existence and good standing of Doral Financial and of the Borrower under the laws of the Commonwealth and copies of the by-laws of Doral Financial and of the Borrower certified by the Secretary or an Assistant Secretary of Doral Financial and the Borrower.

(l) The Representative shall have received written evidence that the Bonds have been issued a rating of "BBB-" by Standard & Poor's Ratings Services ("S&P"), of "BBB" by Duff & Phelps ("D&P") and of "Baa3" by Moody's Investors Service ("Moody's").

(m) The Representative shall have received evidence as to the good standing of Doral Financial and its banking, mortgage banking and securities subsidiaries from the Commissioner of Financial Institutions of Puerto Rico.

(n) The Underwriters shall have received such other documentation, certificates and opinions as may be reasonably required by the Underwriters.

10. Indemnification and Contribution.

(a) Doral Financial and the Borrower agree to indemnify and hold harmless the Authority, the Underwriters, any member,

officer, official, employee or agent of the Authority or the Underwriters, and each person, if any, who controls the Authority or Underwriters within the meaning of the Securities Act or the Exchange Act (collectively, for purposes of this Section 10(a), the "Indemnified Parties"), against any and all losses, claims, damages, liabilities or expenses, joint or several, to which any of the Indemnified Parties may become subject, under either of said Acts or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue or misleading statement of a material fact contained in Section 6 of this Agreement, (ii) any untrue statement or alleged untrue statement of any material fact contained in (A) any Preliminary Official Statement and Prospectus, the Registration Statement or the Official Statement and Prospectus, or any amendment or supplement to the Registration Statement or the Official Statement and Prospectus or (B) any application or other document, or any amendment or supplement thereto, executed by Doral Financial or the Borrower or based upon written information furnished by or on behalf of Doral Financial or the Borrower filed in any jurisdiction in order to qualify the Bonds under the securities or blue sky laws thereof or filed with the Commission or any securities association or securities exchange (each, an "Application"), or (iii) the omission or alleged omission to state in

any Preliminary Official Statement and Prospectus, the Registration Statement or the Official Statement and Prospectus, or any amendment or supplement to the Registration Statement or the Official Statement and Prospectus or any Application a material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, including the aggregate amount paid in settlement of any litigation commenced or threatened arising from a claim based upon any such untrue statement or omission if such settlement is effected with the written consent of

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Doral Financial and the Borrower, and will reimburse each such Indemnified Party for any legal or other expenses reasonably incurred in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that (1) Doral Financial or the Borrower will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or omission or alleged untrue statement or omission made in any of such documents in reliance upon and in conformity with written information furnished to Doral Financial or the Borrower by the Authority or the Underwriters specifically for use therein; and (2) this indemnity shall not apply to any losses, claims, damages, liabilities or expenses arising out of or based upon any such untrue statement or any such omission if such statement or omission was corrected by a supplement or amendment to the Official Statement and Prospectus delivered to the Underwriters prior to the sale of the Bonds to the person asserting the loss. This indemnity agreement will be in addition to any liability which Doral Financial or the Borrower may otherwise have. Doral Financial or the Borrower will not, without the prior written consent of each of the Underwriters, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which indemnification may be sought hereunder (whether or not such Underwriter is a party to such claim, action, suit or proceeding), unless such settlement, compromise or consent includes an unconditional release of each Underwriter and each member, officer, official, employee, agent and controlling person of such Underwriter from all liability arising out of such claim, action, suit or proceeding.

Doral Financial and the Borrower acknowledge that the information set forth in the Official Statement and Prospectus under the caption "Plan of Distribution" related to stabilization

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and passive market making legends constitutes the only information furnished in writing by or on behalf of the Underwriters specifically for use in the Official Statement and Prospectus. In addition, Doral Financial and the Borrower acknowledge that the information set forth in the Official Statement and Prospectus under the captions "AFICA," "GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO" and "LEGAL INVESTMENT" constitutes the only information furnished in writing by or on behalf of the Authority specifically for use in the Official Statement and Prospectus.

(b) The Underwriters agree to indemnify and hold harmless the Authority, Doral Financial, the Borrower, any member, director, officer, official, employee or agent of the Authority, Doral Financial or the Borrower, and each person, if any, who controls the Authority, Doral Financial or the Borrower within the meaning of the Securities Act or the Exchange Act (collectively, for purposes of this Section 10(b), the "Indemnified Parties"), against any and all losses, claims, damages, liabilities or expenses, joint or several, to which the Indemnified Parties may become subject, under either of said Acts or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue or misleading statement of a material fact contained in the Preliminary Official Statement and Prospectus, the Registration Statement or the Official Statement and Prospectus, or any omission or alleged omission from the Preliminary Official Statement and Prospectus, the Registration Statement or the Official Statement and Prospectus, or any amendment or supplement to the Registration Statement or the Official Statement and Prospectus of a material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, but only so far as any such statement or omission was made in reliance upon and in conformity with written

information, if any, as was furnished in writing by the Underwriters for use therein.

(c) The Authority agrees to indemnify and hold harmless the Underwriters, Doral Financial, the Borrower, any member, officer, official, employee or agent of the Underwriters, Doral Financial or the Borrower, and each person, if any, who controls the Underwriters, Doral Financial or the Borrower within the meaning of the Securities Act of the Exchange Act (collectively, for purposes of this Section 10(c), the "Indemnified Parties"), against any and all losses, claims, damages, liabilities or expenses, joint or several, to which any such Indemnified Party may become subject, under either of said Acts or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue or misleading statement of a material fact contained in any Preliminary Official Statement and Prospectus, the Registration Statement or the Official Statement and Prospectus,

or caused by any omission or alleged omission from any Preliminary Official Statement and Prospectus, the Registration Statement or the Official Statement and Prospectus, or any amendment or supplement to the Registration Statement or the Official Statement and Prospectus of a material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, but only to the extent that any such statement or omission relates to the information appearing under the captions "AFICA," "GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO" and "LEGAL INVESTMENT".

(d) If the indemnification provided for in the above subsections (a), (b) and (c) of this Section 10 is for any reason unavailable (other than for a reason specified in this Section 10) or insufficient to hold harmless an Indemnified Party under

sections (a), (b) or (c) above with respect to losses covered by such subsection, then each indemnifying party shall contribute to the damages paid by such Indemnified Party (A) in such proportion as is appropriate to reflect the relative benefits received by the Borrower and Doral Financial (collectively), the Authority and the Underwriters from the offering of the Bonds or (B) if the allocation provided by clause (A) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (A) above, but also the relative liability of the Borrower and Doral Financial (collectively), the Authority and the Underwriters in connection with the statements or omissions which resulted in such damages, as well as any other relevant equitable considerations. The relative benefits received by the Borrower and Doral Financial (collectively), the Authority and the Underwriters shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by each one bear to each other. The relative benefits received by the Borrower and Doral Financial shall be deemed to be equal to the total net proceeds from the offering of the Bonds (after deducting only the underwriting discount and the Authority's Administrative Fee). The relative benefits received by the Authority shall be deemed to be equal to its Administrative Fee and the relative benefits received by the Underwriters shall be deemed to be equal to their total underwriting discount or commissions, as set forth in this Bond Purchase Agreement. The relative liability of each Indemnified Party shall be determined by reference to, among other things, whether the untrue statement of a material fact or the omission to state a material fact relates to information supplied by the Borrower or Doral Financial (collectively), the Authority or the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Authority, the Borrower, Doral

Financial and the Underwriters agree that it would not be just and equitable if their respective obligations to contribute pursuant to this subsection (d) were to be determined by pro rata allocation of the aggregate damages or by any other method of allocation which does not take into account the equitable considerations referred to above. For purposes of this subsection (d) the term "damages" shall include any legal or other expenses reasonably incurred by an Indemnified Party in connection with investigating or defending against any action or claim which is the subject of the contribution provisions of this subsection (d). Notwithstanding the provisions of this subsection (d), the Underwriters shall not be required to contribute any amount in excess of the total underwriting discount received by them and the Authority shall not be required to contribute any amounts in excess of the Administrative Fee payable to the Authority. No person guilty of fraudulent misrepresentations (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation in connection with the issuance of the Bonds.

(e) In case any action shall be brought against one or more of the Indemnified Parties based upon the Official Statement and Prospectus and in respect of which indemnity may be sought against the indemnifying party, the Indemnified Parties shall promptly notify the indemnifying party in writing, and the indemnifying party may assume the defense thereof, including the employment of counsel, the payment of all expenses and the right to negotiate and consent to settlement, but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to an Indemnified Party otherwise than under this Section 10, unless, and only to the extent that, such omission results in the forfeiture of substantial rights or defenses by the

indemnifying parties. Any one or more of the Indemnified Parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Indemnified Parties unless the employment of such counsel has been specifically authorized in writing by the indemnifying or contributing party or parties or the indemnifying or contributing party or parties shall not have employed counsel to assume the defense of such action promptly after receiving notice thereof, or such Indemnified Party or Indemnified Parties shall have reasonably concluded that there may be defenses available to it or them which are different from or additional to those available to the indemnifying or contributing party or parties (in which case the indemnifying or contributing party or parties shall not have the right to direct the defense of such action on behalf of the Indemnified Party), in any of

which events such fees and expenses of separate counsel for the Indemnified Party shall be borne by the indemnifying or contributing party or parties. The indemnifying party shall not be liable for any settlement of any such action effected without its consent by any of the Indemnified Parties.

11. SURVIVAL OF REPRESENTATIONS AND OBLIGATIONS. The respective agreements, representations, warranties and other statements of the Authority, Doral Financial, the Borrower and the Underwriters and their respective officers set forth in or made pursuant hereto will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of the Underwriters, the Borrower, Doral Financial or the Authority, and will survive delivery of and payment for the Bonds.

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12. TERMINATION OF BOND PURCHASE AGREEMENT. The Representative may terminate this Agreement, in its absolute discretion, without liability therefor, by notice given to the Authority, Doral Financial and the Borrower prior to the Closing if, at any time prior to the Closing:

(a) Any fact shall exist or any event shall have occurred that, in the opinion of the Representative, makes the Registration Statement or the Official Statement and Prospectus contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(b) Any extraordinary event shall have occurred or shall exist affecting current Commonwealth, national or international economic, financial or other conditions or affecting Doral Financial or the Borrower which, in the reasonable opinion of the Representative, materially adversely affects the market for the Bonds or the sale, at the contemplated offering prices, by the Underwriters of the Bonds;

(c) A war or other similar hostilities directly involving the United States shall have occurred, which in the reasonable opinion of the Representative, materially adversely affects the market for the Bonds or the sale, at the contemplated offering prices, by the Underwriters of the Bonds;

(d) A general banking moratorium shall have been declared by authorities of the United States or the Commonwealth;

(e) Any rating of the Bonds shall have been downgraded or withdrawn by S&P, D&P or Moody's;

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(f) The New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose any material restrictions not now in force or being enforced with respect to the Bonds or obligations of the general character of the Bonds or securities generally, or shall materially increase restrictions now in force, including those relating to the extension of credit by, or charges to the net capital requirements of, underwriters;

(g) Any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by, any governmental body, department or agency in the Commonwealth, or decision by any court of competent jurisdiction within the Commonwealth shall be rendered which, in the reasonable opinion of the Representative, materially adversely affects the market for the Bonds or the sale, at the contemplated offering prices, by the Underwriters of the Bonds;

(h) Any amendment to the Official Statement and Prospectus is proposed by the Borrower or Doral Financial or deemed necessary by Bond Counsel or counsel to the Underwriters pursuant to Paragraph [] hereof which, in the reasonable opinion of the Representative, materially adversely affects the market for the Bonds or the sale, at the contemplated offering prices, by the Underwriters of the Bonds; or

(k) The Authority, Doral Financial or the Borrower shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds contained in this Agreement.

13. EXPENSES OF THE AUTHORITY, DORAL FINANCIAL AND THE BORROWER.
Whether or not the transactions contemplated hereby

shall be consummated, the Underwriters and the Authority shall be under no obligation to pay, and Doral Financial and the Borrower shall pay, any and all reasonable expenses incident to the performance of the obligations of the Authority, the Underwriters, Doral Financial or the Borrower under this Agreement and the fulfillment of the conditions imposed hereunder including but not limited to: (i) the cost of preparing, printing and delivering the Bonds, the Preliminary Official Statement and Prospectus, the Registration Statement and the Official Statement and Prospectus, the Trust Agreement and the Loan and Guaranty Agreement and any amendments or supplements thereto; (ii) the fees and disbursements of Bond Counsel; (iii) the fees and disbursements of any counsel, auditors, engineers, consultants or other retained by the Authority, Doral Financial or the Borrower in connection with the transactions contemplated herein; (iv) the fees and disbursements of the Bond Trustee and its counsel; (v) the charges made by rating agencies for the rating of the Bonds; (vi) the expenses incurred by the Underwriters in connection with the purchase of the Bonds and the transactions contemplated herein, including the fees and disbursements of legal counsel retained by or on behalf of the Underwriters; and

(vii) any and all liability with respect to amounts payable as a result of (A) any issuance, stamp, documentary, transfer or similar taxes which may be determined to be payable in connection with the execution and delivery of the Bonds, this Agreement, the Registration Statement, the Official Statement and Prospectus, the Trust Agreement, the Loan and Guaranty Agreement or any other ancillary agreement, or any modification, amendment or alteration, of the terms or provisions of any of the foregoing, and (B) any interest or penalties resulting from any delays in paying any of such expenses, charges, disbursement, liabilities or taxes. The obligations of the Borrower under this Paragraph 13 shall survive the delivery of and payment for the Bonds.

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14. NOTICES. Any notice or other communication to be given to the Authority, Doral Financial or the Borrower under this Agreement may be given by delivering the same in writing at the address set forth above, and any notice or other communication to be given to the Underwriters under this Agreement may be given by delivering the same in writing to Popular Securities, Inc., Popular Center Building, Suite 1020, San Juan, Puerto Rico 00918, Attention: President.

15. PARTIES IN INTEREST. This Agreement is made solely for the benefit of the Authority, Doral Financial, the Borrower and the Underwriters (including the successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof.

16. NO ORAL CHANGE. This Agreement may not be changed orally, but only by an agreement in writing and signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

17. EFFECTIVENESS. This Agreement shall become effective upon the execution hereof by the Authority, Doral Financial and the Borrower and shall be valid and enforceable as of the time of delivery of such executed copy to the Underwriters.

18. COUNTERPART EXECUTION. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which, when so executed and delivered, shall be an original, but all of which counterparts shall together constitute but one and the same instrument.

19. GOVERNING LAW. This Agreement is being made in the

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Commonwealth and for all purposes shall be construed and enforced in accordance with the laws of the Commonwealth.

20. SEVERABILITY. In the event any provision of this Agreement shall be

held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Very truly yours,

POPULAR SECURITIES, INC.
PAINWEBBER INCORPORATED
OF PUERTO RICO
DORAL SECURITIES
SANTANDER SECURITIES

BY: POPULAR SECURITIES, INC., AS
REPRESENTATIVE

By: _____
Name:
Title:

The foregoing Bond Purchase Agreement is hereby accepted as of July __, 1999.

PUERTO RICO INDUSTRIAL, TOURIST,
EDUCATIONAL, MEDICAL AND ENVIRONMENTAL
CONTROL FACILITIES FINANCING AUTHORITY

By: _____
Name:
Title:

DORAL PROPERTIES, INC., S.E.

By: _____
Name:
Title:

DORAL FINANCIAL CORPORATION

By: _____

Name:

Title:

DORAL FINANCIAL CORPORATION
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

EXHIBIT 12

<TABLE> <CAPTION>	QUARTER ENDED MARCH 31,	YEAR ENDED DECEMBER 31,				
<S>	1999	1998	1997	1996	1995	1994
<C>	<C>	<C>	<C>	<C>	<C>	<C>
INCLUDING INTEREST ON DEPOSITS						
EARNINGS:						
Pre-tax income from continuing operations	\$17,804	\$ 59,839	\$ 37,797	\$31,279	\$22,060	\$18,745
Plus:						
Fixed Charges (excluding capitalized interest)	32,214	115,894	62,269	47,130	44,442	23,996
	-----	-----	-----	-----	-----	-----
TOTAL EARNINGS	\$50,108	\$175,733	\$100,066	\$78,409	\$66,502	\$42,741
	=====	=====	=====	=====	=====	=====
FIXED CHARGES:						
Interest expensed and capitalized	\$31,764	\$114,396	\$ 60,912	\$45,857	\$43,380	\$23,252
Amortized premiums, discounts, and capitalized expenses related to indebtedness	148	544	526	586	372	83
An estimate of the interest component within rental expense	338	1,080	831	687	690	661
	-----	-----	-----	-----	-----	-----
TOTAL FIXED CHARGES	\$32,250	116,020	62,269	47,130	44,442	23,996
	=====	=====	=====	=====	=====	=====
RATIO OF EARNINGS TO FIXED CHARGES	1.55	1.51	1.61	1.66	1.50	1.78
	=====	=====	=====	=====	=====	=====
EXCLUDING INTEREST ON DEPOSITS						
EARNINGS:						
Pre-tax income from continuing operations	\$17,804	\$ 59,839	\$ 37,797	\$31,279	\$22,060	\$18,745
Plus:						
Fixed Charges (excluding capitalized interest)	25,562	98,456	52,255	41,604	41,081	22,891
	-----	-----	-----	-----	-----	-----
TOTAL EARNINGS	\$43,366	\$158,295	\$ 90,052	\$72,883	\$63,141	\$41,636
	=====	=====	=====	=====	=====	=====
FIXED CHARGES:						
Interest expensed and capitalized	\$25,112	\$ 96,916	\$ 50,898	\$40,331	\$40,019	\$22,147
Amortized premiums, discounts, and capitalized expenses related to indebtedness	148	544	526	586	372	83
An estimate of the interest component within rental expense	338	1,080	831	687	690	661
	-----	-----	-----	-----	-----	-----
TOTAL FIXED CHARGES	\$25,598	98,540	52,255	41,604	41,081	22,891
	=====	=====	=====	=====	=====	=====
RATIO OF EARNINGS TO FIXED CHARGES	1.69	1.61	1.72	1.75	1.54	1.82
	=====	=====	=====	=====	=====	=====
</TABLE>						

[PRICEWATERHOUSECOOPERS LOGO]

PricewaterhouseCoopers LLP
PO Box 363566
San Juan PR 00936-3566
Telephone (787) 754-9090

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-3 of our report dated March 5, 1999 relating to the financial statements, which appears in Doral Financial Corporation's Annual Report on Form 10-K for the year ended December 31, 1998. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

San Juan, Puerto Rico

July 27, 1999