

PRESS RELEASE

February 25, 2014

Guam Small Business Lending Program Awarded Additional \$4.3 Million *Funds will be administered by the Guam Economic Development Authority and are estimated to help local businesses raise up to \$131 million of capital.*

(Tamuning, Guam) –The Guam Economic Development Authority announced today that it has secured an additional \$4.3 million in funding for the territory's small businesses through a second disbursement from the U.S. Treasury Department's State Small Business Credit Initiative (SSBCI).

"This program not only supports the dreams of our small business owners—it also creates jobs. These loans have helped many companies expand to provide better services to our families and visitors. This administration remains committed to helping everyone reach their Guamanian dream," Governor Calvo said. "Programs like the SSBCI loan allow this government to assist anyone with a dream to own a business of their own. I encourage anyone interested to visit the fine people at GEDA. They'd be happy to help!"

"We are very pleased that our success is being rewarded with an additional \$4.3 million to fund Guam's small business community," said Henry J. Taitano, GEDA Administrator. "With the continued assistance and support of our Participating Lender's, we hope to leverage these funds with private capital to generate an estimated total of \$131 million of activity into Guam's economy."

Guam is receiving the funds after successfully lending out \$3.8 million or 80 percent of its first disbursement. The island was awarded a total allocation of \$13.1 million in October 4, 2011. To date, these federal funds have generated \$4.9 million in private sector financing to local businesses and has created 209 jobs.

"With the assistance of Guam SSBCI program we were able to expand our business model and diversify into new aviation opportunities," said John Stewart – owner of Skydive Guam. "With the new funding we were able to add 5 new employees."

SSBCI was created by the Small Business Jobs Act of 2010, which President Obama signed into law on Sept. 27, 2010. Funded with \$1.5 billion, the program is expected to spur up to \$15 billion in new lending to small businesses and manufacturers as states use federal funds to leverage private investment dollars.

Guam's SSBCI funding is administered by the Guam Economic Development Authority and managed by the Public Finance Division. The program went live in 2012 and has claimed a stake in Guam's financing realm as the missing link for financing for small businesses. The most active segment of the program is the Loan Guarantee program. This program is meant to encourage banks to make small business loans that are not traditionally bankable. The program provides a lender with the necessary security, in the form of a guarantee, for the lender to approve a loan or line-of-credit it might normally disapprove. Loan funds can be used for business operations including start-up costs, working capital, franchise fees, equipment, inventory, and the purchase, construction, renovation or improvements of an eligible place of business.

"The success of the first disbursement has enabled GEDA to support 22 small businesses with their financing needs. The creation of 209 jobs is monumental and has surely made an impact in the lives of our clients as well as our economy," said R. Gregory Sablan – Public Finance Assistant Manager. "We hope to build on this momentum by engaging additional Participating Lenders to put this funding to work in the community as quickly as possible."

If you are interested in receiving more information about the SSBCI program you can visit one of our 4 participating lenders – Bank of Guam, Community First Guam Federal Credit Union, Coast 360 Federal Credit Union and ANZ Bank or contact the Guam Economic Development Authority at 590 S. Marine Corps Dr., ITC Bldg., STE 511, Tamuning, Guam 96913 or by calling (671) 647-4332 or by visiting www.investguam.com.

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