Aturidåd Inadilånton Ikunumihan Guahan

State Small Business Credit Initiative "SSBCI"

The State Small Business Credit Initiative (SSBCI) is a Federal program administered by the Department of the Treasury (Treasury) that was funded with $1.5 billion to strengthen state programs that support private financing to small businesses and small manufacturers. In conjunction with leveraged private financing, the SSBCI is expected to help spur up to $15 billion in lending to small businesses and manufacturers that are not getting the loans or investments they need to expand and create jobs.

Guam was allocated a total of $13,168,350 under the SSBCI program. The funds were allocated specifically to the Guam Economic Development Authority (GEDA) to be used for three (3) lending programs: $1.3M for a Capital Access Program (CAP), $4.6M for a Loan Participation Program and a $7.2M for a Credit Guarantee Program. The goal for Guam is to help spur up to $131M in lending to small business and manufacturers that are not getting the loans they need to expand and create jobs.

THE PROCESS:

GEDA has established a partnership with banks and credit unions to administer loan funds through the three (3) loan programs. Participating banks and credit unions will process loan applications using their individual underwriting process and then enroll applicants as they see fit.

ELIGIBILTY AND PURPOSE:

Loan funds can be used for business operations including start-up costs, working capital, business procurement, franchise fees, equipment, inventory, and the purchase, construction, renovation or improvements of an eligible place of business.

CAPITAL ACCESS PROGRAM:

- Provides businesses with access to capital.
- This is a reserve pool concept which will allow lenders to draw funds in case of default.
- Maximum loan amount of $200,000.

LOAN PARTICIPATION PROGRAM:

- GEDA can purchase up to 40% from a lender on new diversification projects that exhibit short-term cash flow deficiency.
- GEDA can offer preferred terms (no interest and/or principal) for up to 36 months.
- Maximum loan amount of $200,000.

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.
- GEDA will guarantee up to 75% of a loan, not to exceed $500,000.

PARTICIPATING LENDERS:

Bank of Guam - Keven Camacho
(671) 472-5165

Community First - Rick Scroggs
(671) 648-6246

Coast360 - Anacleto Gatuz
(671) 477-8736

ANZ Bank - Ryan Rupley
(671) 479-9049

PARTNERS:

- UOG, Pacific Center for Economic Initiatives
- UOG, Small Business Development Center
- U.S. Small Business Administration
- Guam Chamber of Commerce

For more information, please contact:
The Guam Economic Development Authority

ITC Building, Suite 511
590 South Marine Corps Drive
Tamuning, Guam 96913

Tel: (671) 647-4332
Fax: (671) 649-4146
e-mail: help@investguam.com
or visit www.investguam.com

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