

# Guam Development FUND ACT

The purpose for GDFA is to **provide financial assistance through loans and loan guaranties** to private enterprises and industries thus **promoting the economic development of Guam**. The Guam Economic Development Authority (GEDA), a public corporation, was charged to assist in the implementation and administration of GDFA.

This program is targeted at businesses that are engaged or about to engage in activities in the areas of agriculture, fishing, manufacturing, tourism, and their support industries. GDFA enables start-ups and existing businesses to **secure long-term financing** for the acquisition of long-term fixed assets, **working capital needs** and to **provide funding for the purchase of supplies and inventory**.

## ELIGIBILITY REQUIREMENTS

1. **Two written denials** from *local, private, or commercial lending institutions*.
2. Individuals must be **U. S. Citizens** or **permanent resident aliens who are residents of Guam**.
3. Project **must fit at least one** of the following loan categories:
  - *Agriculture*
  - *Fishing*
  - *Manufacturing*
  - *Tourism*
  - *Support industries for the above entities*
4. The business **must meet one** of the following criteria:
  - Creation of employment
  - Replacement of imports
  - Reduction of consumer prices
  - Creation of a vitally needed facility
5. Applicants must be a **registered business** and have a **valid Guam business license**.

## TYPES OF FINANCIAL ASSISTANCE

Direct Loans

Line of Credit

## MAXIMUM LOAN AMOUNT

\$1,200,000

## TERMS

TBD by risk factor & use of funds

Interest Rate is Up to 4% above U.S. Treasury Index Rate

## USE OF FUNDS

- Start-Up Costs
- Working Capital
- Leasehold Improvements
- Furniture, Fixtures & Equipment
- Purchase, construction, renovation or improvements of an eligible place of business
- Fees associated with construction of business

## FEES & CHARGES

- |                   |   |                   |
|-------------------|---|-------------------|
| • Application Fee | - | \$20              |
| • Credit Report   | - | \$10/ea.          |
| • Processing Fee  | - | \$100             |
| • UCC 1 & 3       | - | \$10/ea.          |
| • Origination Fee | - | 2% of loan amount |