

State Small Business CREDIT INITIATIVE



The State Small Business Credit Initiative (SSBCI) is a Federal Program administered by the Department of the Treasury that was funded with \$10 billion to strengthen state programs that support private financing to small businesses. In conjunction with new small business financing, the SSBCI is expected to create billions of dollars in lending and investments to small businesses that are not getting the support they need to expand and create jobs.

Guam was allocated a total of \$58.6 million through the Guam Economic Development Authority (GEDA) and has established a Loan Guarantee Program and Collateral Support Program.

The goal for Guam is to increase the availability of funds to spur entrepreneurship in the community, creating new start-up businesses and to expand existing ones that will result in more job opportunities and added goods and services offered to the people of Guam.

THE PROCESS

GEDA has established a partnership with banks and credit unions to administer loan funds through the Loan Guarantee and Collateral Support Programs. Participating banks & credit unions will process loan applications using their individual underwriting process and then enroll these into the SSBCI program.

ELIGIBILITY & PURPOSE

Loan funds can be used for business operations including start-up costs, working capital, franchise fees, acquisition of equipment, inventory, or services used in the production, manufacturing, or delivery of a business' goods or services & the purchase, construction, renovation or tenant improvements of an eligible place of business that is not for passive real estate.

For more information about the Loan Guarantee and Collateral Support programs, please visit the GEDA website at www.investguam.com.

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 for a period not to exceed seven (7) years.

COLLATERAL SUPPORT PROGRAM

This program is designed to enable financing that might otherwise be unavailable due to a collateral shortfall.

The program supplies pledged cash collateral accounts to lending institutions to enhance collateral coverage for individual loans.

GEDA will pledge cash collateral of up to 25% of the loan amount, not to exceed \$1,000,000 for a period not to exceed five (5) years.

PARTICIPATING LENDERS



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