

Export Readiness Training Program

STEP FORWARD

Financing options
for export



GUAM STATE TRADE EXPANSION PROGRAM



Disclaimer: The Guam STEP grant is a state-federal partnership funded in part through a grant with the U.S. Small Business Administration (SBA). All opinions, conclusions and/or recommendations expressed herein are those of the author(s) and do not necessarily reflect the views of the SBA. Requests for reasonable accommodation for persons with disabilities will be made if requested at least two weeks in advance. For arrangements or inquiries, please contact the Guam Economic Development Authority (GEDA) AT 671-647-4332 or email step@investguam.com.



Guam STEP Export Readiness Program Training
Financing Your Export Plan
February 25, 2025

United States Dept. of Agriculture (USDA)

- Agricultural Marketing Service (AMS)
- Agricultural Research Service (ARS)
- Animal and Plant Health Inspection Service (APHIS)
- Center for Nutrition Policy and Promotion (CNPP)
- Economic Research Service (ERS)
- Farm Service Agency (FSA)
- Food and Nutrition Service (FNS)
- Food Safety and Inspection Service (FSIS)
- Foreign Agricultural Service (FAS)
- Forest Service (FS)
- Grain Inspection, Packers and Stockyards Administration (GIPSA)
- National Agricultural Library (NAL)
- National Agricultural Statistics Service (NASS)
- National Institute of Food and Agriculture (NIFA)
- Natural Resources Conservation Service (NRCS)
- Risk Management Agency (RMA)
- **Rural Development (RD)**



Mission

The mission of Rural Development is to increase economic opportunities and improve the quality of life for rural Americans.





Rural Development

U.S. DEPARTMENT OF AGRICULTURE

**More than 50 Grant, Direct and Guaranteed Loan and
Technical Assistance Programs**

Providing Access to Capital and Credit for Rural Communities

Rural Development

Rural Utilities Service

Water & Environmental
Programs
Electric Programs
Telecommunications Programs



Rural Housing Service

Single Family Housing
Multi Family Housing
Community Facilities
Programs



Rural Business- Cooperative Service

Business Programs
Energy Programs
Cooperative Programs



Business & Industry Guaranteed Loan Program (B&I)



Business & Industry (B&I) Guaranteed Loans

The B&I program is lender-driven. USDA guarantees the loan rather than lending directly.

A commercial lender requests the B&I guarantee, and, if approved, it makes and services the loan.

Business & Industry (B&I) Guaranteed Loans

Eligible Lenders

- Federal or State Chartered Banks
- Saving & Loans
- Farm Credit Banks
- Credit Unions

Eligible Borrowers

- For-profit businesses
- Nonprofits and cooperatives
- Federally recognized Tribes
- Public Bodies
- Individuals engaged or proposing to engage in a business.

Loan Limits

- No Minimum
- Maximum up to \$25 million and up to \$40 million on rural cooperatives that process value-added agricultural commodities.

Business & Industry (B&I) Guaranteed Loans

Eligible Areas “Rural”	Population up to 50,000 http://eligibility.sc.egov.usda.gov/eligibility/
% of Guarantee	<ul style="list-style-type: none">The loan guarantee percentage is published annually in a Federal Register notice. B&I loans approved in Fiscal Year 2023 will receive an 80 percent guarantee.
Loan Terms	<p>Negotiated between lender & borrower</p> <ul style="list-style-type: none">The lender, with Agency concurrence, will establish and justify the guaranteed loan term based on the use of guaranteed loan funds, the useful economic life of the assets being financed and those used as collateral, and the borrower’s repayment ability.The loan term will not exceed 40 years.
Interest Rate	<ul style="list-style-type: none">FixedVariable (change no more than quarterly)

Business & Industry (B&I) Guaranteed Loans

Loan Uses

- Business acquisition, construction, conversion, expansion, repair, modernization and development
- Purchase of equipment, machinery, and supplies
- Debt refinancing under certain conditions;
- Start up costs and working capital
- Agricultural production, when not eligible for Farm Service Agency(FSA) farm loan programs assistance and when it is part of an integrated business also involved in the processing of agricultural products.

Ineligible Loan Uses

- Guaranteeing loans made by other Federal agencies, lines of credit, or lease payments.
- Charitable or fraternal organizations ([business that derive > 10% of annual gross revenue from tax deductible charitable donations](#))
- The financing of timeshares, residential trailer parks, apartments, duplexes, or other residential housing where the primary purpose is independent housing.
- Racetracks or gambling facilities
- Churches or church-controlled organizations
- Lending investment & insurance companies

Business & Industry (B&I) Guaranteed Loans

- Projects involving more than \$1 million and the relocation of 50 or more jobs
- Agriculture production, with certain exceptions
- Golf courses and golf course infrastructure
- Research & development & projects that involve technology that is not commercially available.
- Guarantees where the lender or any of the lender's officers has an ownership interest.
- Investments or arbitrage or speculative real estate investments.

Ineligible Loan Uses
continued

FEES

B&I

- Initial Guarantee Fee: 3.00%
- Fee for Issuance of the Loan Note Guarantee Prior to Construction Completion: 0.50%
- Guarantee Retention Fee: 0.55% of the guaranteed portion of the outstanding principal balance, paid annually

REAP

- Initial Guarantee Fee: 1%
- Fee for Issuance of the Loan Note Guarantee Prior to Construction Completion: 0.50%
- Guarantee Retention Fee: 0.25% of the outstanding principal balance, paid annually

Business & Industry (B&I) Guaranteed Loan



Francisco San Nicolas, D. M.D., P.C.
Hagatna, Guam

Loan Amount: \$2,700,000

Lender: Coast 360 Federal Credit
Union

Business & Industry (B&I) Guaranteed Loan



B
G Grand Pacific Hospitality
(Grand Plaza Hotel), Tumon,
Guam

Loan Amount: \$5,000,000

Lender: Bank of Guam

Business & Industry (B&I) Guaranteed Loan



MR & T Maui Hotel Management, LLC
(Kohea Kai Maui Hotel)
Kihei, Maui (HI)

\$6,830,000

LENDER: CBB Bank (fka Ohana Pacific Bank)

Business & Industry (B&I) Guaranteed Loan



Hawaii Sea Spirits, LLC
Kula, Maui (HI)

\$10,000,000

LENDER: US Eagle Federal Credit Union

Rural Development Contacts

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Any Questions?

THANK YOU VERY MUCH

FOR YOUR TIME !





USDA is an equal opportunity provider, employer, and lender.



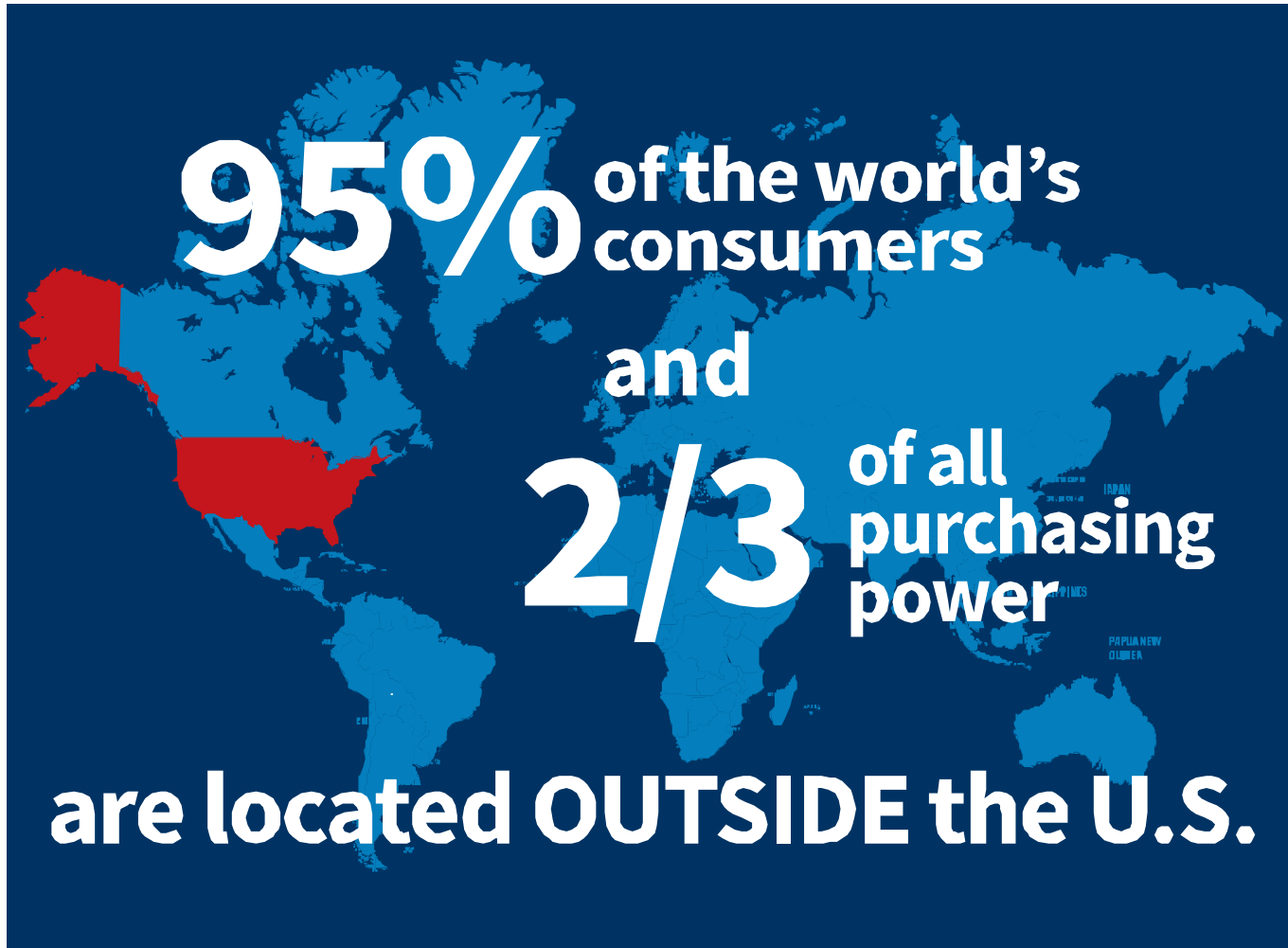
U.S. Small Business
Administration

Helping Small Business Go Global

Guam Branch Office

February 25, 2025

The Global Sales Opportunity



Small Businesses are capitalizing on international sales opportunities

95%

of consumers
live outside
the United
States

98%

of exporters
are Small
Businesses

33.3%

of U.S. Export
Value is from
Small
Businesses

**Business
Growth**

- 10 yrs. longer
- 3x employees
- 2x sales

The SBA Can Keep You Competitive

1



Business Intelligence for Changing Times

Get advice on exploring
export markets at
[sba.gov/tradetools](https://www.sba.gov/tradetools)

2



Grants to Reach International Buyers

See if your state/territory
offers grants at
[sba.gov/STEP](https://www.sba.gov/STEP)

3



Financing for Your International & Supply Chain Sales

Contact your local export
finance manager at
[sba.gov/international](https://www.sba.gov/international)

Business Intelligence for Changing Times

SBA's Fast Track Service

- Meet privately with SBA senior trade and technical staff to discuss unique needs
- Quickly access to accurate information, guidance on eligibility requirements
- Receive introductions and professional referrals to Federal, State or local resource partners

How to Schedule Fast Track Service and SBA's International Trade Hotline?

- Call SBA toll free at (855) 722-4877 or send an email to international@sba.gov

SBA's Trade Tools for International Sales

One-Stop Website for Information on Exporting and Importing for Small Businesses. Learn about:

- Developing an export plan
- Federal and local resources available to help small businesses
- Identifying markets, including information about U.S. trade agreements, such as USMCA, and the opportunities created for small businesses.
- Laws and Regulations that impact trade, including customs, tariffs, intellectual property, and e-commerce.

Want to learn more?

- Visit www.sba.gov/tradetools.
- Information is available in English and Spanish.

Grants to Help You Reach International Buyers



The **State Trade Expansion Program** or STEP provides grants to U.S. states/territories to help small businesses to go international.



- **Eligible Uses of Funds include:**

- Training workshops
- In-person and Virtual trade missions
- Services to support foreign market entry
- International Partner Search
- Website optimization for global sales
- Translate websites to attract foreign buyers
- Designing marketing media and more



Visit sba.gov/STEP to find out if your state/territory is participating in STEP.

Support Financing Challenges

SBA's Export Loan Programs can help small businesses overcome financing challenges:

- Tighter credit underwriting standards
- Reduced working capital availability
- Buyers are requesting longer sales terms (90 days has become the new 60)
- Industry and market challenges require the business to pivot to meet changing demand

SBA Export Finance Programs

Export Express:

- Flexible line of credit program used to assist export development and working capital needs

Export Working Capital Program (EWCP):

- Asset-based working capital program that can support both accounts receivable and purchase order financing; and support the issuance of letters of credit

International Trade Loan:

- Term loan program that can support permanent working capital and expand exporter capacity through capital investment

Export Finance Managers at www.sba.gov/international

EWCP vs. 7(a) Comparison

	7(a)	EWCP
Loan Amt	\$5,000,000	\$5,000,000
Guaranty %	75%	90%
Max Guaranty	\$3,750,000	\$4,500,000
Use of Proceeds	Most Business Purposes	Contract fulfillment/Working Capital/ Standby LCs
Structure	Term or Line	Line only
Fees	Standard	0.25% - year 1 0.275% – year 2 and 3
Interest Rate	Standard	No Restrictions
Processing	LGPC/ PLP	EFM/ PLP

Get International Trade Support From SBA

- For assistance with trade barriers and **SBA Fast Track Service** call SBA toll free (855) 722-4877 or Email international@sba.gov
- For a list of State Trade Expansion Program (STEP) with **grants** visit www.sba.gov/STEP
- For **export finance** questions and help navigating SBA resources, locate and connect with one of our Export Finance Managers at www.sba.gov/international
- **Explore Opportunities** at www.sba.gov/tradetools (Spanish version available.)
- **Stay Informed** with SBA's OIT's Newsletter and Webinars: sba.gov/newsroom



U.S. Small Business
Administration

Q&A

For more information on SBA export
assistance, please visit
sba.gov/tradetools



GUAM
SSBCI
STATE SMALL BUSINESS
CREDIT INITIATIVE

STATE SMALL BUSINESS CREDIT INITIATIVE (SSBCI)

BACKGROUND



- On March 11, 2021, President Biden signed The American Rescue Plan Act of 2021 (ARPA) which reauthorized and amended the Small Business Jobs Act of 2010 (SBJA) to provide \$10 billion to fund the State Small Business Credit Initiative (SSBCI) as a response to the economic effects of the COVID-19 pandemic.
- SSBCI is a federal program administered by the Department of the Treasury (Treasury) that was created to strengthen state programs that support private financing to small businesses. SSBCI is expected to, in conjunction with new small business financing, create billions of dollars in lending and investments to small businesses that are not getting the support they need to expand and create jobs.
- The SSBCI funding allocated to Guam through GEDA has established a Loan Guarantee Program and a Collateral Support Program.

LOAN GUARANTEE PROGRAM



- Enables a small business with 500 employees or less to obtain term loans and lines of credit to help them grow and expand their business
- GEDA Guarantees up to 75% of the loan amount
- Maximum Guarantee amount of \$500,000.00
- Guarantee is on the first 7 years of the loan
- Guarantee fee is 2% of loan amount to GEDA

COLLATERAL SUPPORT PROGRAM



- The program helps viable businesses that are struggling to get credit because the value of the collateral they hold has fallen and provides banks greater confidence in extending credit to these borrowers
- 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 and individual loans
- The program may be designed to target certain geographies or industries, such as real estate lending, in which a lender may be willing to fund at 75% loan-to-value but a company may not be able to bridge the difference in cash at closing
- For small businesses with 500 employees or less
- Guarantee fee is 2% of loan amount to GEDA

BUSINESS PURPOSES



ELIGIBLE:

- Start-up Costs
- Working Capital
- Franchise Fees
- Acquisition of equipment, inventory, or services used in the production, manufacturing, or delivery of a business's goods or services.
- The purchase, construction, renovation, or tenant improvements of an eligible place of business that is not for passive real estate investment purposes

INELIGIBLE:

- Acquiring or holding passive investments in real estate
- Purchase of securities
- Lobbying activities

PERMISSIBLE BORROWERS



- Jurisdiction-designated charitable, religious, or other non-profit or philanthropic institutions
- Government-owned corporations
- Consumer and marketing cooperatives
- Faith-based organizations
- Sole proprietors
- Independent contractors
- Worker cooperative and other employee-owned entities
- Tribal enterprises

** Provided the loan is for a "business purpose" as defined above and all applicable program requirements are satisfied.*

GUAM ECONOMIC DEVELOPMENT AUTHORITY

DIRECT LOAN PROGRAMS

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ABOUT GEDA

The Guam Economic Development Authority (GEDA), a public corporation (12GCA Chapter 50), was created by enabling legislation on August 21, 1965 through Public Law 8-80. The Authority has been given the broad responsibility to assist the Governor of Guam with the centralized direction, control and supervision of an integrated plan for the economic development of Guam.

GEDA's **mission** is to develop a sound and sustainable economy through innovative programs that preserve and promote local culture, economic opportunities and quality of life.

LOAN PROGRAMS

GEDA currently administers two direct economic development loan programs providing financial assistance through loans and loan guarantees.

These programs support the development and expansion of businesses by providing financing and capital to help entrepreneurs and maximize opportunities for success.

GEDA DIRECT LOANS

Guam Recovery Loan Program

Agriculture Development Fund (ADF)

GUAM RECOVERY LOAN PROGRAM

Provides financial assistance to start-up businesses and existing businesses with the goal of **promoting the economic development of Guam.**

ELIGIBILITY REQUIREMENTS

- Applicant must provide one written declination from a local lender
- Applicant must be a US citizen or a permanent resident alien living in Guam
- Applicant business must be duly registered with a valid Guam business license

Purpose of the loan must fit at least one of the following categories:

- Agriculture
- Fishing
- Manufacturing
- Tourism
- Support industries for the above

Business must meet one of the following criteria:

- Creation of employment
- Replacement of imports
- Reduction of consumer prices
- Creation of a vitally needed facility

LOAN PROGRAMS

GUAM DEVELOPMENT FUND ACT (GDFA)

ELIGIBLE 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

TYPE OF FINANCIAL ASSISTANCE:

- Direct Loan
- Line of Credit

MAXIMUM LOAN AMOUNT:

- Up to \$1,200,000 (*all loans above \$100,000 are subject to GEDA Board Approval*)

MAXIMUM TERM:

- TBD by risk factor & use of funds

INTEREST RATE:

- US Treasury Index Rate + 1% (*fully collateralized loans*)
- US Treasury Index Rate + 2%

**GUAM
DEVELOPMENT
FUND ACT**
EST. 1965

LOAN PROGRAMS

AGRICULTURE DEVELOPMENT FUND (ADF)

The Agriculture Development Fund or ADF was created in 1988 by Public Law 19-to aid with the development of locally produced agricultural products.

The program enables farmers and commercial farming enterprises to obtain financing for working capital needs to provide funding for the purchase of supplies and inventory.

ELIGIBILITY:

- Individuals must be U.S. Citizens or permanent resident aliens who have resided in Guam for at least three (3) years.
- Applicants must be certified and registered with the Guam Department of Agriculture as a bona fide farmer or commercial farming enterprise who commercially grow and harvest agriculture products for profit.

TYPE OF FINANCIAL ASSISTANCE:

- Loan
- Line of Credit

MAXIMUM LOAN AMOUNT: \$50,000

INTEREST RATE: 4%

ELIGIBLE USE OF FUNDS:

- Furniture, fixtures, equipment
- Leasehold improvements
- Working capital

Business must meet one of the following:

- Creation of employment
- Replacement of imports
- Reduction of consumer prices
- Creation of a vitally needed facility



LOAN PROGRAMS

ADF & GDFA PROCESSING & LOAN FEES

Application Fee: \$20

Due at time of submission

Credit Report: \$10

Due at time of submission for every shareholder owning 20% or more

Processing Fee: \$100

Due at loan closing

UCC 1 & 3 Fee: \$10

Each statement

Loan Fee

2% of Loan Amount

Q & A

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QUESTIONS?

Please complete today's training survey.





In agradesi (appreciation)
for your time, please enjoy a
special gift just for you from:

MALIKAI



THANK YOU

GEDA

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