

Accelerator PROGRAM

GEDA's Accelerator Program was created to respond to an ever tightening lending environment in Guam wherein many banks have turned away from small business customers, even those with the ability to repay a loan, particularly if the business was a start-up or operated for a short period of time, lacked sufficient borrower equity, and possessed devalued real estate or equipment collateral. Our program addresses this and provides funding to encourage start-ups and expansion of small and micro businesses that would create new job opportunities for our community.

FUNDING:	GDFA Loan Fund set aside amount of five million dollars (\$5,000,000.00)
MAXIMUM LOAN AMOUNT:	\$500,000.00 per borrower
MAXIMUM TERM:	10 years
INTEREST RATE:	1%-2% plus prime
LOAN FEE:	1% of loan amount

OTHER FEES:

- Application Fee \$50.00
- Annual loan servicing fee .05% of loan balance due annually

FEES TO BE CHARGED AT COST (AS APPLICABLE):

- Credit Report \$10.00 per applicant
- UCC1, 2 & 3 \$10.00 each
- Preliminary Title Report \$100.00
- Appraisal Fee: \$450.00 residential / \$5,000.00 commercial

DOCUMENTS TO BE PROVIDED TO GEDA WITH APPLICATION (AS APPLICABLE):

1. Two written denials from private, commercial lending institutions.
2. Current Guam Business License
3. Corporate Resolution to Borrow
4. Business Plan
5. Last 2 years Corporate Tax Returns
6. Personal Financial Statement for each Principal with 20% or more ownership interest
7. Last 2 Years Individual Tax Returns for each Principal with 20% or more ownership interest
8. Police Clearance and Court Clearance for each Principal with 20% or more ownership interest
9. Schedule of Collateral to be pledged to secure loan

ELIGIBLE BORROWERS:

- Authorized to conduct business on Guam evidenced by a current Guam Business License
- Any entity whose principals have not been convicted of a sex offense against a minor

INELIGIBLE BORROWERS:

- Real estate investment firms
- Firms engaged in activities prohibited by federal law
- Gambling entities
- Businesses whose shareholders are convicted sex offenders
- No prior conviction of a criminal offense other than a minor motor vehicle violation
- No record of delinquency that results in a loan default on financial assistance from GEDA or any other instrumentality of the Government of Guam unless satisfactorily honored a workout agreement
- Failure to meet and fulfill the terms and conditions of receiving GEDA assistance
- No past due or unpaid civil judgment in the Superior Court of Guam
- Not engaged in any activity that has resulted in prosecution for a felony or crime of moral turpitude or conviction for that type of crime in the courts of Guam, the United States or its territories, or foreign jurisdiction. Shall not apply in the event that the prosecution is dismissed with prejudice.

ELIGIBLE LOAN USES:

- Start up costs
- Working capital
- Business acquisitions and expansions
- Franchising fees
- Equipment purchases
- Inventory purchases
- Renovation or improvements to a place of business

INELIGIBLE LOAN USES:

- Used for partial change in ownership of the business, not to benefit business operations
- Reimbursement of funds owed to any owner of the company
- Payment of delinquent state or federal tax
- Purchase of securities
- Pyramid sales plans
- Passive real estate
- Gambling and other illegal activities
- Lobbying activities