

# 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 *private, 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

\$1.2M

## 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

- Processing & Legal fees may be applicable