

# *State Small Business* **CREDIT INITIATIVE** *Surety Bond Assistance Program (SBAP)*

The Guam Economic Development Authority (GEDA), in partnership with Moylan's Insurance Underwriters, Inc., is excited to announce the launch of the State Small Business Credit Initiative (SSBCI) Surety Bond Assistance Program (SBAP). Under this program, First Net Insurance Company will serve as the designated surety, with Moylan's Insurance Underwriters, Inc. acting as its General Agent for all bond issuances.

The State Small Business Credit Initiative Surety Bond Assistance Program is designed to empower Guam's small and emerging contractors, giving them the ability to access bid, payment, and performance bonds. Qualified contractors can now secure these bonds up to 30% guarantee (maximum \$600,000) provided by GEDA, thereby lowering the barrier to entry for larger projects and fostering substantial economic impact.

## **Program Overview**

- Bond lines or projects up to \$2 million in size.
- Minimum Surety Amount \$25,000.
- Guarantee Amount: Up to 30% of the contract amount not exceeding \$600,000.00.
- Guarantee Term: Up to 7 years from the date of signing.

## **Eligibility Criteria**

- Authorized to conduct business in Guam and maintains an office in Guam.
- Targets average borrower size: 500 employees or less.
- Must create at least one new permanent job.
- Demonstrate previous experience in contract work.

## **Additional Eligibility Guidelines**

- No unpaid judgments, warrants or liens. (satisfied judgments are acceptable).
- No unpaid, pending or open tax liens.
- No recent, pending or open bankruptcy filings.
- Contractor must be in business for a minimum of two years.
- Contractor should not have any surety losses on their record.
- Gross revenue requirements:
  - Minimum average gross revenue of \$400,000 in either of the last two fiscal or calendar years.
  - Maximum gross revenue not to exceed generally \$5 million in the most recent calendar or fiscal year.

## **Application Process**

- Contractors connect with a SBAP participating surety company and completes a Contractor Application – the application provides detailed information about applicant's business, history, ownership and summary of financials.
- The surety company underwrites the contractor and is interested in providing the surety bond capacity to the contractor then the surety company submits a SBAP Surety Application on behalf of the contractor requesting a guarantee from GEDA under the SBAP.
- GEDA reviews the application and request, and upon approval, provides the surety with a guarantee for final execution for a single project or multiple contracts under a bond line and a contractor agreement for the contractor for signature.

**About SSBCI:** The U.S. Treasury has provided this funding to support small business capital and technical assistance programs. The Leon Guerrero-Tenorio Administration has designated the team at GEDA to administer the program and disburse funds to promote small business stability, growth, and success. In February 2023, Guam was approved for up to \$58.6 million, to operate three programs: a loan guarantee, an equity/venture capital program and, just approved, this Surety Bond Assistance Program.

**About GEDA:** The Guam Economic Development Authority's mission is to develop a sound and sustainable economy for Guam through innovative programs that encourage local business growth and economic diversification.

**About Moylan's Insurance Underwriters, Inc.:** A trusted provider of insurance and surety services in Guam, Moylan's Insurance Underwriters supports entrepreneurs and the island's construction industry with professional expertise and commitment to excellence.

Interested contractors can learn more about the program by visiting the GEDA website at [www.investguam.com](http://www.investguam.com) or contacting GEDA at (671) 647-4332. To begin the application process by contacting Moylan's Insurance Underwriters Inc. Surety Division at (671) 475-7302.



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