

Guam Development FUND ACT

FACT SHEET AND APPLICATION GUIDE | PAGE 1 OF 3

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 (2) 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 factors and use of funds
- Interest rate is up to 4% + U.S. Treasury Index Rate

USE OF FUNDS

- Start-up costs
- Working capital
- Leasehold improvements
- Furniture, fixtures, and equipment
- Purchase, construction, renovation or improvements of an eligible place of business
- Fees associated with construction of business

FEES & CHARGES

- Processing and legal fees may be applicable

The following is a list of the documents that must be submitted to GEDA.

GEDA FORMS

• Business Loan Application <i>For Director Loans and Lines of Credit</i>	GEDA Form 1-001	• Schedule of Collateral	GEDA Form 1-004
• Statement Required by Law <i>This form must be signed and dated by each proprietor, partner, principal or guarantor.</i>	GEDA Form 1-002	• Authorization to Release Information • Good Faith Estimate • Agreement of Compliance • Corporate Resolution to Borrow	GEDA Form 1-005 GEDA Form 1-006 GEDA Form 1-007 GEDA Form 1-008
• Personal Financial Statement <i>Submit for each person (e.g. owners, partners, officers, directors, major stakeholders, etc.)</i>	GEDA Form 1-003		

EXHIBITS

• Declination Letters	Minimum of two (2) is required*	Exhibit A
• Business Plan	Content Listing on page 2	Exhibit B
• Financial Documents		Exhibit C
Start-up Businesses		
Principal's Tax Returns	for last 2 years (For owners with at least 20% ownership)	GEDA Form 1-003
Personal Financial Statements		
Employment Verification	Submit if currently employed. (Copy of last 2 check stubs)	
Company Financial Statements	Income Statement, Balance Sheet and Cash Flow (Monthly if available)	
Pro Forma Financial Statements	Monthly and Annual Cash Flow Projections for 3 years	
Existing Businesses		
Additional Items Needed:		
Company Tax Returns	for last 3 years	
Company Financial Statements	Income Statement, Balance Sheet and Cash Flow for last 3 years	
Accounts Receivable Aging	Not older than 90 days from date of application	
Accounts Payable Schedule	Not older than 90 days from date of application	
GRTs	Recent twelve (12) months	
• Collateral		Exhibit D
• Schedule of Collateral		GEDA Form 1-005
Appraisal Not more than one (1) year old		
Preliminary Title Report (PTR) Not older than 90 days from date of application		
Certificate of Title or Recorded Deed		
Recorded Property Map		
• Legal documents		Exhibit E
Corporate/Partnership Documents	Corporate Certificate, Articles of Incorporation, Corporate By-Laws	
Insurance Copy of Business Policy(s) (Can include Keyman's, Home, etc.)		
Lease Agreements For business equipment or location		
Business Licenses and Permits	Include copy(s) of Driver's License(s) for each principal(s)	
Certificate of Good Standing		
Police & Court Clearance	For individuals with at least 20% ownership	
Franchise/Distributor Documents	FTC disclosure statement and/or License Agreement(s)	
Purchase Agreement		

THE BUSINESS PLAN

BUSINESS PLAN CONTENTS:

- **Executive Summary**

Introduction of Project or History of business and its concept. Describe business products and services.

- **Categories**

Identify which category below best describes your business: Agriculture, Fishing, Tourism, Commercial Manufacturing, Industrial

- **Criteria**

Explain how your business meets at least one of the following criteria: Creation of employment, Replacement of imports, Reduction of consumer prices, Creation of a vitally needed facility.

- **Management Information**

Provide background information for each principal(s). Describe their role in the business.

- **Employment**

List of personnel requirements by title and salary. Outline training plan and its implementation. Describe employee benefits program, if any.

- **Marketing Plan**

Identify target market and competition. Describe promotional and selling activity. Describe pricing strategy.

- **Operations Plan**

Identify business location. Describe production activity

- **Capital Plan**

Outline start-up expenses and capital, identify all financing sources, describe how loan proceeds will be allocated and provide an itemized list. Describe fiscal policy. Explain how business will establish repayment ability.

PROVIDE THE FOLLOWING INFORMATION IF APPLICABLE:

- **Agricultural Development Fund Loans**

*Recommendations and certifications from the Department of Agriculture and UOG CALS *Bank Declinations are not required for Agriculture Development Fund Loans.*

- **Construction**

File "Agreement of Compliance", GEDA Form 1-007. Describe the scope of work and include an estimate of cost of the project. Provide copies of preliminary construction plans and specifications. Provide copies of all permits.

Final approved plans by the Department of Public Works and other related agencies will be required prior to disbursement.

- **Manufacturing**

Describe the production process, the volume of production and turnover schedule. Outline all vendors of raw materials and availability of such. Outline distribution of products and pricing schemes for all markets .