



## FACT SHEET: CEDA's State Small Business Credit Initiative Program (SSBCI) 2.0

### Snapshot

- Program funded by reauthorization and amendment to the Small Business Jobs Act of 2010 under the American Rescue Plan Act of 2021
- Allows CEDA to design programs that fit the needs of CNMI's small businesses
- Loan guarantee program (no direct loans)

### Loan Guarantee Program (LGP)

- Can help secure a loan with the participating bank
- Up to 80% of the loan amount can be secured by cash deposit
- Loan is secured by a cash deposit at the participating FDIC bank

### Cash Collateral Support Program (CSP)

- Can help fill shortfalls in collateral (security) required by the participating bank
- Loan is secured by a cash deposit at the participating FDIC bank
- Up to 50% of the loan amount can be secured by cash deposit

### Loan Purchase Participation Program (LPP)

- Can help shortfalls in cash flow for new or growing businesses
- Up to 60% of the loan is purchased by CEDA
- Business pays participating bank first.
- CEDA can structure loan to reduce or defer payments
- Business has time to return a profit and build cash flow

## FEATURES

- Loan guarantee program
- Works through your bank- CEDA does not make the loan or the loan decision
- Can help finance non-U.S. citizen business owners
- Can help guarantee loan amounts up to \$20 million
- Maximum guarantee amount: up to 80% LGP; up to 50% CSP; up to 60% LPP

## BUSINESS REQUIREMENTS

- Must be a business located in the CNMI
- Business must have less than 750 employees
- Must be a *bankable* business
- Helps create new jobs

## FACT SHEET: CEDA's State Small Business Credit Initiative Program (SSBCI) 2.0 (CONTINUED)

## BUSINESS LOAN PURPOSES

- Start-up costs
- Working capital
- Franchise fees
- Lines of credit
- Acquisition of equipment, inventory, or services used in production
- Purchase of tangible and intangible assets (except goodwill)
- Refinance (certain conditions apply)
- Fixed asset purchases (furniture, fixtures, equipment, etc.)
- Building construction (conditions apply for passive real estate)
- Projects within the CNMI

## SSBCI PROGRAM

- ...is *not* a direct loan. All loan approvals must originate from a participating bank.
- ...will not improve a weak business plan
- ...will not replace a weak credit rating or repayment history
- ...does not provide 100% of the loan security
- ...is not a grant program.

## SSBCI PROGRAM INELIGIBLE USES

In general:

- Gaming and Casino
- Passive real estate (Certain conditions apply)
- Business investments (purchase of stocks/securities)
- To pay delinquent Federal or CNMI taxes, including those in trust or escrow (payroll or sales taxes)
- Reimburse or purchase of ownership interest of any owner of the business
- Lobbying activities
- Foreign currency

## OTHER INFORMATION

- Contact a participating bank – Bank of Guam
- Gather loan documentation for bank loan application
- Contact CEDA loan team at 670-234-6245 ext.305/307/309 or via email at  
Fred Cruz: [f.cruz@developcnmi.com](mailto:f.cruz@developcnmi.com)  
Abby Atalig: [a.atalig@developcnmi.com](mailto:a.atalig@developcnmi.com)  
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