



## **CEDA Announces \$57 Million SSBCI 2.0 Funding Approval for the Commonwealth of the Northern Mariana Islands (CNMI)**

**Saipan, Commonwealth of the Northern Mariana Islands, July 18, 2024**--The Commonwealth Economic Development Authority (CEDA) is pleased to announce the approval of up to \$57 million from the U.S. Treasury under the State Small Business Credit Initiative (SSBCI) 2.0 for the Commonwealth of the Northern Mariana Islands (CNMI). The funding will support loan guarantees, loan participation, and collateral support programs.

As a bank-driven program, CEDA will **not** be distributing direct loans but will collaborate with participating banks. While we are in the process of contacting FDIC banks to gauge their interest in participating, their involvement is not yet confirmed. However, we remain optimistic about their participation, given the success of the previous SSBCI 1.0 program.

Governor Palacios and Lieutenant Governor Apatang assigned CEDA the responsibility of applying for and managing the SSBCI 2.0 program, a bank-driven initiative funded with a \$57 million allocation for the CNMI, disbursed in three tranches. The first tranche will be nearly \$19 million, and 80% of this must be disbursed before requesting the second tranche.

Initially, the CNMI Department of Commerce submitted the SSBCI 2.0 application under the previous administration (CY 2021-2022). However, complications from other US Treasury ARPA funded programs (CY 2022-2023) led to a pause in the US Treasury review. Consequently, the Palacios-Apatang administration tasked CEDA to substantially modify and re-submit the application in the latter part of 2023.

In early 2024, CEDA asserted to US Treasury its financial and administrative autonomy and highlighted its strong audit track record with the implementation of the previously authorized SSBCI 1.0. After follow-up communication, and inclusion of additional layers of compliance and monitoring measures, the US Treasury granted final approval yesterday, July 17, 2024.

"This approval is a significant step forward for our small local businesses," said CEDA Chairman Frank M. Rabauliman.

"We are dedicated to using these funds to stimulate economic growth and support the entrepreneurial spirit in our community." said Development Corporation Division (DCD) Chairman Frank Lee Borja.

The loan participation program will provide up to 60% of the principal loan amount, while the collateral support program will offer certificates of deposit covering up to 50% of the principal loan amount. These programs are designed to provide crucial financial assistance to CNMI businesses.

The SSBCI 2.0 requires commencement of access to the program within a 90-day period, by **October 16, 2024**. Updates will be provided as they become available.

For more information, please contact the CEDA Loan Team at 670-234-6245 ext. 305/309/307  
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