SBDC BAHAMAS

TURNING VISION INTO VENTURE

Government Guaranteed Loan

www.sbdcbahamas.com





OVERVIEW

The flagship programme SBDC Bahamas offers startup and existing businesses, on all islands of The Bahamas, access to grant, loan and equity funding.

The Government of The Bahamas allotted $25 million for a period of 5 years ($5 million per year) to the Guaranteed Loan Programme. Through our partnerships, entrepreneurs also have access to up to $250k in equity investments and up to $20k in matching grant funding.

The primary purpose of the funding is to guarantee (not disburse) loans approved under this programme with the aim to help entrepreneurs fund, launch and grow their
businesses in a variety of industries.

FINANCIAL PARTNERS

Loan and equity funding applications are approved and disbursed by our funding partners including, but not limited to:

- Bahamas Development Bank
- Bahamas Entrepreneurial Venture Fund
- Fidelity Bank
- Simplified lending
- Fidelity Bank (Bahamas) Limited
- Bank of The Bahamas
- Bahamas Entrepreneurial Venture Fund
- National Workers Co-Operative Credit Union

Please note that SBDC Bahamas does not control the decisions or decision timelines of the financial institutions as they each have their own approval process.



FUNDING STRUCTURE

Applicants may be approved for a guaranteed loan up to $1 million on a case-by-case basis.



$500K MAX

Up to $500,000 in Guaranteed Loan



$250K MAX

Up to $250,000 in Equity Contribution



$20K MAX

Up to $20,000 in Matching Government Grant (must be matched to a loan and/or equity component)







75% GOVERNMENT GUARANTEE

Once the loan application is approved by any financial institution licensed by the Central Bank or Bahamas Securities Commission, the Government of The Bahamas will guarantee up to 75% of the approved loan principal.

However, the Government may guarantee up to 90% of the approved loan principal for an MSME operating in one of the industries listed below:



- Manufacturing
- Fishing
- Agriculture
- Technology
- Clean Energy

ELIGIBILITY CRITERIA

STARTUP AND EXISTING MSMES MUST MEET THE FOL LOWING CRITERIA:

1. Offer products and services that comply with our
2. Environmental & Social Management Systems (ESMS) policy;
3. Generate annual gross sales of less than $5 million;
4. Employ less than 50 individuals;
5. Bahamian-owned (at least 51% controlling interest);
6. Provide all documents listed under the required
7. Application Documents section.





APPLICATION DOCUMENTS

- Business Plan including financial projections for the next three years
- Historical Financial Statements for the last two years (existing business)
- Business Overview (See website's Resources: Forms Tab)
- Application Cover Page (See website's Resources: Forms Tab)
- Disclosure Agreement (See website's Resources: Forms Tab)
- Business License
- Personal Statement of Affairs (See website's Resources: Forms Tab)
- Passport Photo Page
- Driver’s License
- National Insurance Card
- Voter’s Card or Utility Bill no older than 3 months

Items 6 to 10 are required from any owner, partner or shareholder holding an interest of more than 10% in the business. On a caseby- case basis, additional documents may be requested, such as proof of liability insurance, lease agreement, letters of intent and sales agreements.

INCORPORATED BUSINESSES APPLICATION DOCS

ALL OF THE PREVIOUSLY STATED DOCUMENTS LISTED +

11. Memorandum and Articles of Association
12. Certificate of Incorporation
13. Register of Directors and Shareholders
14. Certificate of Incumbency
15. Directors Resolution to Raise Funding



BUSINESS SERVICES

To help clients meet some of the critical requirements listed previously and to gain a better understanding of the business they intend to launch or expand, these supplementary services are available:





BUSINESS PLAN WRITER PROGRAMME

ASSISTED BUSINESS DEVELOPMENT

Business plan writer collaboration

BICA PARTNERSHIP

ASSISTED BUSINESS DEVELOPMENT

Bahamas Institute of Chartered Accountants (BICA) accountant financial statement compilation

APPLICATION PROCESS

THERE IS NO DEADLINE TO APPLY, HOWEVER APPROVALS WILL BE GRANTED ON A FIRST-COME, FIRST-SERVED BASIS.

STEP 1
Complete the SBDC Bahamas online registration/signup form on our website sbdcbahamas.com.

STEP 2
Complete the online Client Service Request form to outline services needed.

STEP 3
Submit all documents listed under the Application Documents section.

STEP 4
Address the questions and concerns raised by the SBDC Bahamas Business Plan Review Team.

STEP 5
Present and defend your business plan to the SBDC Bahamas Investment Committee.

STEP 6
Submit government grant application to the SBDC Bahamas Board of Directors.

STEP 7
Submit loan and equity applications to multiple Financial Institutions (refer to the list in the Funding Partners section).

Once applicants successfully complete the first five steps, our Funding Department will complete the next two steps listed on your behalf.

REVIEW PROCESS

FIRST REVIEW PROCESS:

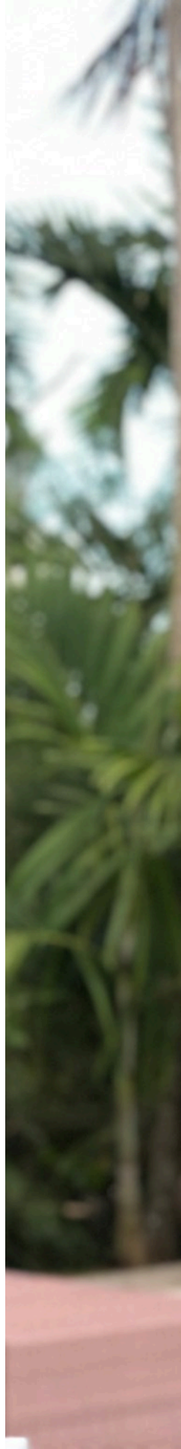
Once applicants submit all required documents, their business and personal documents will be reviewed to establish business viability, management expertise, realistic projections, strategic partnerships, innovative solutions, approved licensing, owner's investment and creditworthiness.

Business plans are scored by our review team and if the plan is scored lower than 80 points, a Reviewer will contact the applicant to discuss how the plan can be improved. If scored 80 points or higher, the plan is automatically forwarded to the Investment Committee for consideration.

SECOND REVIEW PROCESS

The Investment Committee reviews and approves all grant, loan and/or equity applications before they are forwarded to any external financial institutions. Investment Committee meetings are held weekly to allow applicants the opportunity to present their business plans and to address questions or concerns raised by the committee members. Once five of the committee members are satisfied with the applicant's business plan and pitch, an approval letter is issued to the applicant. However, if the members are not satisfied, a recommendation letter is issued to outline the main concerns to be addressed for future consideration.

Investment Committee Members comprise of representatives from the following agencies:
Access Accelerator
Bahamas Chamber of Commerce (BCCEC)
Bahamas Agricultural Industrial Corporation
Ministry of Agriculture & Fisheries
Bahamas Hotel & Tourism Association
Bahamas Entrepreneurial Venture Fund
Other Financial Institution Representatives



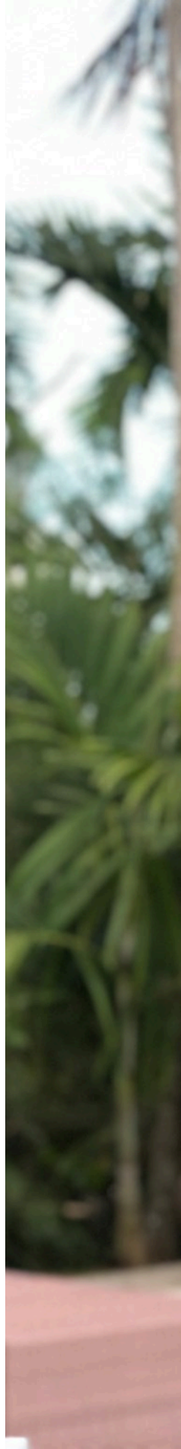
REVIEW PROCESS (cont'd)

FIRST REVIEW PROCESS:

Approval of matching grant applications is not automatic and is sometimes dependent on the financial challenges of the applicant and available grant funding. Once the Investment Committee delivers a decision on the matching grant and government guarantee, the Funding Department will submit the guaranteed loan and/or equity application to multiple financial institutions.
Representatives from these institutions may contact applicants directly to address their questions or concerns and/or they will do the same with our Funding Department.

Please note: The SBDC Bahamas does not have any bearing on the processes, timelines and/or decisions of the financial institutions.

Grant, loan and equity funding applications are officially approved in writing. Although a scanned copy of the offer letter(s) will be delivered to the email address documented on the funding application form, an original copy of the letter(s) should be collected from the office of the approving institution.



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GOVERNMENT GUARANTEED LOAN

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