

LOAN GUARANTEE PROGRAM



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DEVELOPMENT FINANCE AUTHORITY



Alaska Industrial Development
and Export Authority



Investing in Alaskans **aidea.org**



The Loan Guarantee Program is designed to assist small to medium-sized Alaska businesses. AIDEA's support can make project financing, refinancing and working capital loans possible for those borrowers who might not otherwise obtain commercial financing. Guarantees are available to eligible Alaska businesses for real property, tangible personal property, working capital and export transactions. AIDEA is authorized to guarantee up to 80 percent of a loan, up to \$1 million. Loans must be originated by an eligible financial institution. The guarantee extends to the principal balance, accrued interest and liquidation expenses.

AIDEA assistance, aimed at small businesses and entrepreneurs in rural Alaska, allows unsecured loans for up to \$100,000 for qualified borrowers and projects.

How To Apply

- The first step is to contact an AIDEA eligible financial institution.
- The financial institution, after its approval of the loan, applies to AIDEA for a guarantee.
- AIDEA loan officers underwrite the financial institution's loan package.
- If approved, AIDEA issues a guarantee certificate to the originating financial institution.

Loan Guarantee Program Highlights

AIDEA offers the following terms:

- 180 days for a post-shipment export transaction
- 270 days for a pre-shipment export transaction
- One year if secured by inventory or accounts receivable and a non-export transaction
- Five years if working capital or unsecured by waiver
- 15 years if secured by tangible personal property
- 20 years if secured by real property

Project must be in Alaska and majority-owned by an Alaska resident

Costs

A \$200 non-refundable application fee is due at the time the financial institution submits the guarantee package for AIDEA consideration. A 2 percent one-time guarantee fee is due when AIDEA issues its guarantee to the financial institution.

