

**American Samoa Government Department of Commerce
State Small Business Credit Initiative (SSBCI)
Frequently Asked Questions (FAQ 1)
April 25, 2024**

The U.S. Treasury has provided guidance to the states and territories on the SSBCI program and below are a few frequently asked questions with answers. We will continue to add to this FAQ on an ongoing basis.

Official guidance published by the U.S. Treasury can be found on its SSBCI website at <https://home.treasury.gov/policy-issues/small-business-programs/state-small-business-credit-initiative-ssbcj>

1. What is the SSBCI program?

The SSBCI program provides funding to states & territories to support various small business financing programs, such as loan guarantee programs, venture capital programs, loan participation programs, and collateral support programs. The goal of the SSBCI is to stimulate economic growth and job creation by helping small businesses access the financing they need to start, grow, and expand.

2. What types of credit and/or investment programs will be available to businesses in American Samoa?

Loan Guarantee Program (LGP):

Purpose: Provides a partial guarantee to support surety bonds and lines of credit, helping local businesses meet requirements needed to access the necessary capital so they can participate in large projects (i.e. construction projects).

Collateral Support Program (CSP):

Purpose: Increases access to commercial credit for small businesses by providing additional security (i.e. collateral) to lenders for loans or credit facilities.

Loan Participation Program (LPP):

Purpose: Provides risk diversification for lenders which increases access to commercial credit for small businesses. This is accomplished by SSBCI by participating in lending transactions.

Equity/Venture Capital Program:

Purpose: To make direct investments in local small businesses and projects alongside principal investors, fostering innovation, and supporting the development of a robust entrepreneurial ecosystem in American Samoa.

3. When will the American Samoa SSBCI program be open for business?

With the U.S. Treasury approval now in place, the American Samoa Government Department of Commerce plans to launch the program in early June 2024.

4. What are the approved uses of SSBCI funds?

Eligible uses include, but are not limited to, start-up costs; working capital; franchise fees; and acquisition of equipment, inventory, or services used in the production, manufacturing, or delivery of a business’s goods or services, or in the purchase, construction, renovation, or tenant improvements of an eligible place of business that is not for passive real estate investment purposes.

5. Is the SSBCI program a grant program?

The State Small Business Credit Initiative (SSBCI) is not a grant program. Instead, it is a federal program that provides funding to states & territories, which in turn administer various small business financing programs. It supports small businesses by improving access to loans or investment from commercial lenders and investors.

6. Where or how do I apply?

If you are a small business owner seeking financing for your business, you should contact your local lender or interested venture investors and let them know that there is support available if there is a need to reduce their risk in providing you with funding. We will add more information regarding this process in the coming weeks.

7. What type of businesses can apply?

Small businesses with no more than 750 employees, operating in American Samoa, and small businesses owned by American Samoans anywhere in the U.S.

8. What is the maximum loan/investment funding a business can receive from SSBCI?

SSBCI can support up to \$5 million of loans or investments that in total do not exceed \$20,000,000. Most transactions are expected to be much smaller.

9. What is the private capital matching requirement?

The goal of the SSBCI program is to leverage \$10 of private capital for every \$1 of SSBCI funds deployed. This goal can be achieved over the long term but every transaction must have at least \$1 of private capital to every \$1 of SSBCI funds to start. SSBCI support can only be provided alongside a private source of capital and cannot cover the full cost of a project. This approach is intended to break down barriers to access capital and help more small businesses build relationships with commercial lenders and investors to support their long-term growth.

Please be reminded that AS DOC aims to launch the SSBCI program in June of 2024. Please continue to monitor our www.doc.as.gov site and Facebook page for further updates or email SSBCI@doc.as.gov. Fa’afetai.