

REMARKS:

BEDC and Bermuda Credit Union Partnership

Ray Jones

Acting Executive Director, BEDC

Thursday, August 6th, 2020

Good afternoon,

I want to thank the Premier for his remarks and acknowledge the Bermuda Credit Union Board Chair at this press conference today.

On March 20th, 2020 BEDC announced that with the support of its Board of Directors it would reallocate funds from its existing budget and modify its existing products and services for the next 9 months, to be able to provide local business owners with support during these uncertain times in the wake of the Covid-19.

Since that announcement, funds have been allocated by the Government to provide support to general business owners, existing clients who have BEDC products, and new entrepreneurs seeking financial support.

The additional funding has created an opportunity for the BEDC to expand its partnership to work with the Bermuda Credit Union as a financial partner. For the BEDC to be able to provide guarantees on loans to the members of the Bermuda Credit Union is a great opportunity to service entrepreneurs who may have historically not been able to get financial support. Since we launched this expanded guarantee offering, we are already working with 3 entrepreneurs of which one has already been approved. We take the opportunity today, to formally announce the programme and to encourage those who may not have been aware of this option to be in touch with BEDC or the Bermuda Credit Union.

I will share with you how the expanded use of the guarantee will work.

Under the BEDC Guaranteed Loan and Overdraft Programme:

1. BEDC has set aside \$500,000 in funds to be used to support loan guarantees for the Bermuda Credit Union
2. BEDC grants the BCU authority to process, review and approve Expedited Applications on behalf of BEDC, and without further reference to BEDC, in compliance with the requirements and subject to agreed conditions.
3. Applicable to existing Businesses
4. Businesses within the Economic Empowerment Zones given preference.
5. Current and former BEDC bank guarantee clients are to be given preference for this programme
6. Businesses must be registered with BEDC and be or become a Bermuda Credit Union Member.
7. The Bermuda Credit Union will provide discounted preferential interest rates.
8. BEDC's guarantee on a loan will be up to 75% of the value of the loan, up to a maximum dollar value of \$300,000.
9. BEDC's guarantees on loans have a maximum period of up to 5 years and the guarantees reduce proportionally as the loan balance reduces.
10. BEDC's guarantee on loans will be released when the loan balance reaches 50% of original loan balance (principal sum).

I want to again thank the Bermuda Government for the additional support offered to help to assist our Bermuda entrepreneurs when they need it most. I also want to thank the Bermuda Credit Union for coming to the wicket and continuing their long-standing tradition of supporting its members.

I would encourage anyone who is interested in taking advantage of this new partnership to contact the BEDC directly by calling 292-5570 or by email at info@bedc.bm. Additional information can also be found at www.bedc.bm where we have a Covid-19 page that provides detail information on the products..

I would now like to turn the mic over to Mr. Graham Nesbitt, Board Chair of the Bermuda Credit Union to say a few words. Thank You.

*Knowledgeable
Progressive
Supportive
Professional
Innovative*

*Growing
Bermuda one
Business at
a time*