

HOW LONG WILL IT TAKE BEFORE I OBTAIN AN ANSWER TO MY REQUEST

Section 13 of The Bahamas Development Bank Act requires **ALL** loans to be decided by a credit committee. How fast a decision takes will depend on how frequently the credit committee and/or Board of Directors meet. We expect to be able to give a decision on a loan application within 45 days from the date the Bank has been supplied with all relevant information needed to process the application.

IS THERE AN ADMINISTRATION FEE?

Yes. A fee of \$100.00 or 1½ % of the loan amount (which ever is greater) must be paid when a loan applicant decides to accept a loan offer from the Bank.

ARE THERE ANY OTHER COSTS OR CHARGES?

Yes. Legal fees and expenses, taxes and insurances are a part of the closing costs and are usually payable prior to disbursement of loan proceeds. Because the type of collateral impacts the closing costs, each project's closing cost may differ. During your application interview, your officer will provide you with an estimate of what your closing costs would most likely total.

WHAT KIND OF INSURANCE DO I NEED FOR A LOAN?

The borrower is normally asked to provide life insurance in an amount adequate to cover the loan amount. BDB does not provide a credit insurance program. The borrower is required to assign to BDB proceeds of an existing or new life insurance policy. Where assets securing a loan may be insured against loss, the Bank may and often do require that they be insured as well.

In all cases, BDB must be noted as loss payee, and it is the borrowers responsibility to maintain all insurance premium payments for the duration of the loan.

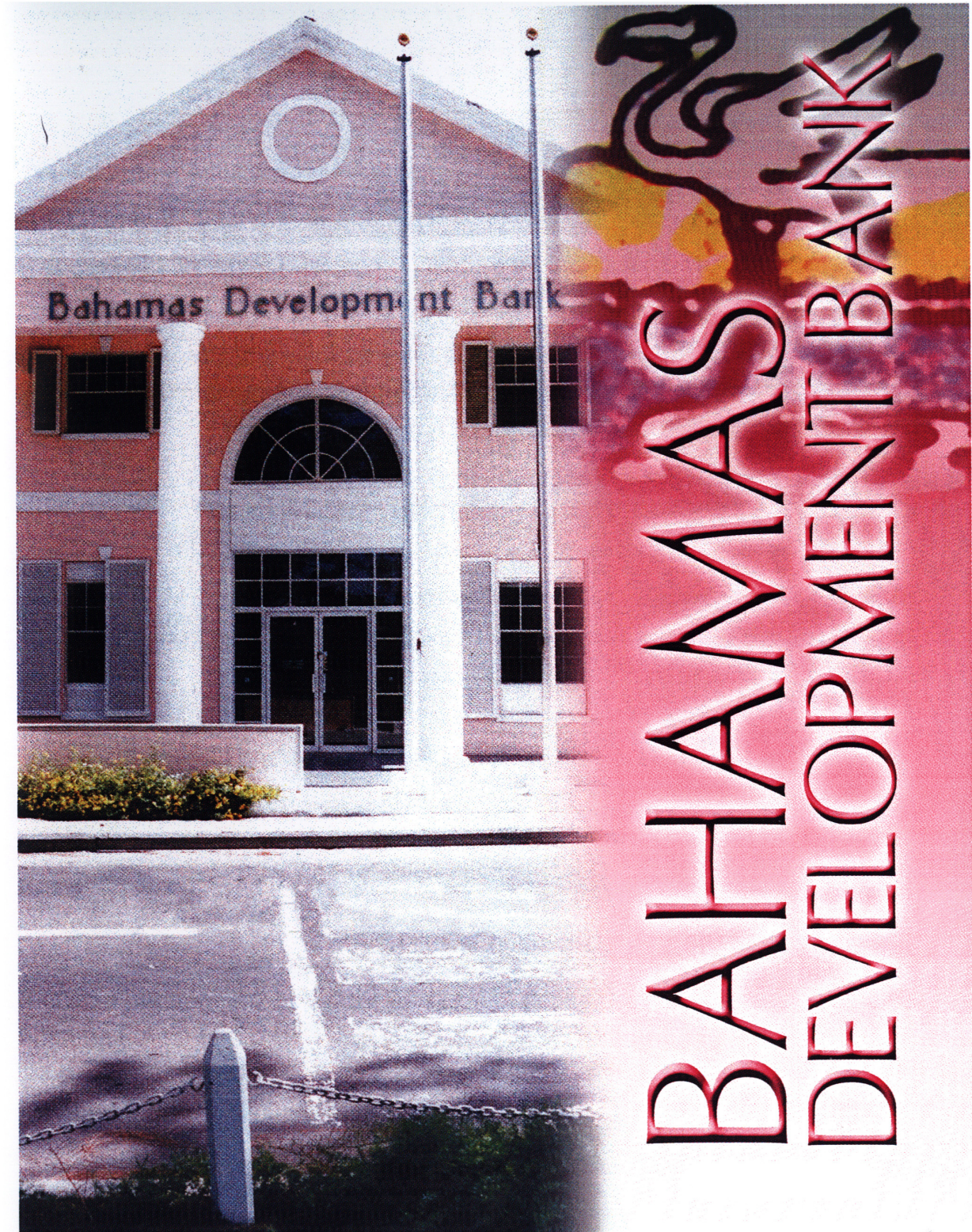
WHAT IS THE BANK'S INTEREST RATE AND IS IT FIXED OR VARIABLE?

The Bank's interest rate is dependent on several factors and do change periodically. We advise you to call to find out the rate at any given point in time.

In all instances the Bank reserves the right to increase and/or decrease the rate of interest. However, BDB has tended to treat the rate as a fixed rate during the course of the loan.

CONTACT INFORMATION

Main Branch and Executive Offices	Freeport Branch Office	Abaco Branch Office
Cable Beach PO Box N – 3034 Nassau, NP., Bahamas Phone Number: (242) 327 – 5780 Fax Number: (242) 327 – 5047 E-Mail: dev.bank@batelnet.bs	Bank of Bahamas Building PO Box F - 42573 Phone Number (242) 352 – 9025 Fax Number (242) 352 - 4166	Garnet Archer Plaza PO Box AB 20956 Marsh Harbour, Abaco Phone Number (242) 367 - 2489 Fax Number (242) 367 - 4735



INTRODUCTION



Thank you for your interest in the Bahamas Development Bank. Our Management and Staff desire to make your contact with us as pleasant and trouble-free as possible. For this reason, we have designed a series of brochures that provide important information concerning the Bank and its lending programs. We hope that the information supplied will help you in determining whether the Bahamas Development Bank is your best alternative and how you can speed up the response time to your application. You are encouraged to read the information carefully

and thoroughly. Should you have any questions after reading, you may contact us at any of our offices during normal working hours.

WHAT IS THE BAHAMAS DEVELOPMENT BANK?

The Bahamas Development Bank is a Government corporation established to promote economic development through financing viable projects sponsored by Bahamian or Bahamian owned businesses.

FOR WHAT PURPOSES WILL THE BANK LEND?

The Bank lends for a variety of projects in virtually every sector of the economy. However, there are certain items BDB may not fund under current legislation and policy directives. These items are:

- i. The purchase of finished goods inventory for resale
- ii. The purchase of vacant land
- iii. The construction of commercial &/or residential buildings primarily for rental
- iv. The purchase of shares or bonds
- v. The purchase of consumer products for non-business use
- vi. The purchase of air-transport vehicles
- vii. Loan consolidations
- viii. Working Capital (except for incremental or initial Working Capital)

As collateral for a loan, the Bank will accept real estate, equipment, vehicles, boats, and/or cash. Normally, the Bank will discount non-cash assets pledged as collateral by 25% - 50%. For loans in excess of B\$10,000.00, an independent valuation completed by a qualified professional is required on assets pledged as collateral.

WHAT IF I DO NOT HAVE ADEQUATE COLLATERAL?

The Government has in place a loan guarantee scheme that is designed to assist those citizens who **DO NOT HAVE** adequate assets to secure a loan. The Bank may apply under this facility for a guarantee on an applicant's behalf if it considers the project feasible and the applicant creditworthy.

HOW DO I APPLY FOR A LOAN?

To apply for a loan it is recommended that you visit or call and set an appointment to meet with one of our credit officers. To ensure maximum use of your appointment time, it is recommended that you complete and submit a copy of your business plan. This will allow your credit officer to become familiar with your project and provide you with added information that may expedite a decision on your application.



WHAT IS A BUSINESS PLAN?

A business plan contains the details of your business. It tells what your business is about, how it will be financed, who will manage it, how it will attract customers and how it will make sufficient money to pay its operational and debt obligations.

BAIC is the government institution mandated to assist Bahamian entrepreneurs and businessmen with formulating and preparing business plans. This service is free. BAIC has offices located in Freeport and Nassau. In Freeport, the office is situated in the National Insurance Building: its phone number is 352-1888. In Nassau, BAIC's phone number is 322 – 3740.

You are also free to have your business plan developed by any professional competent in business plan writing and/or project development – such as accounting firms, business consulting firms etc.

WHAT SHOULD I BRING WITH ME TO THE APPOINTMENT?

Please bring with you a pictured ID, your National Insurance Card, a credit reference from your Bank, two character references, pro-forma invoices or bids for the items you are asking the Bank to fund, a copy of the completed Project Profile Summary, and a copy of your business plan (if available). Depending on your particular circumstances, your credit officer may request additional documentation from you.