



## Office of the Governor of Guam

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Felix P. Camacho  
Governor

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Lieutenant Governor

NOV 27 2009

Honorable Judith T. Won Pat, Ed.D  
Speaker  
*I Mina' Trenta Na Liheslaturan Guåhan*  
155 Hessler Street  
Hagåtña, Guam 96910

Dear Speaker Won Pat:

Submitted herewith is Bill No. 147-30 (COR), **“AN ACT TO ADD A NEW SUBSECTION (p) TO §50103 OF CHAPTER 50 OF TITLE 12, GUAM CODE ANNOTATED, RELATIVE TO GUAM ECONOMIC DEVELOPMENT AUTHORITY LOANS AND LENDING PRACTICES”** which I have vetoed.

In an effort to foster Guam's economy, Guam Economic Development Authority (GEDA) was established for the purpose of promoting and encouraging the development of new businesses and the retention and expansion of existing businesses. GEDA's loan program helps achieve this purpose through encouraging small business development with a focus on start-ups and challenged small businesses that the financial market cannot service. As such, GEDA often serves as a lender of last resort thereby attracting higher risk applicants.

With a grant from U.S. Congress, GEDA has more than Seven Million Dollars in its funds available for lending. GEDA's loan servicing guidelines do not expressly prohibit the issuance of a loan to an entity that has previously defaulted on the loan program as Bill No. 147-30 proposes.

But Bill No. 147-30 goes further by extending the prohibition to any individual or business or any of its officers and/or directors, owners, partners or shareholders that have more than five percent ownership interest in said business, including indirect ownership or other interest through proxy or trust, or sister parent or subsidiary ownership interest(s), personally or through a relative within one degree of consanguinity. The entity or individual shall also not have a past due or unpaid civil judgment in the Superior Court of Guam or engage in any activity that has resulted in prosecution for a felony or a crime of moral turpitude or conviction for that type of crime in the Courts of Guam, the United States and its territories, or foreign jurisdiction except if the prosecution is dismissed with prejudice. This will diminish GEDA's purpose to foster Guam's economy through the assistance it provides to Guam's small businesses most especially the disadvantaged. Moreover, the Bill proposes to unfairly prevent innocent individuals who

have had a case against them dismissed, but not dismissed without prejudice, from obtaining assistance. More egregious, is the Bill disqualifies an individual who has been acquitted or found innocent of a prosecution. These cases are not normally dismissed because they have been adjudicated through the court system resulting in a final judgment rendering a not guilty verdict.

GEDA's Credit Review Committee scrutinizes, assesses, and deliberates on the merit of the application based on the financial soundness, viability, as well as economic enhancement to Guam's economy. The Bill hampers GEDA's ability to assist businesses thus hindering their ability to sustain Guam's economy. More importantly, the Bill unfairly threatens the opportunity for innocent individuals to develop and expand new businesses on Guam. As such, I have vetoed this measure.

*Sins eru yan Magâhet,*

A handwritten signature in black ink, appearing to read 'Camacho', with a long horizontal flourish extending to the right.

**FELIX P. CAMACHO**  
*I Maga' Låhen Guahan*  
Governor of Guam

Attachment