

Frequently asked questions about The Small Hotels Investments Fund

What kinds of projects does the SHIF finance?

The SHIF provides financing to members of the Intimate Group for the refurbishing and expansion of their hotel properties.

How much funding can my business receive from the SHIF?

Your business may qualify for a maximum of BDS\$5.60 million.

How can my hotel qualify for funding from the SHIF?

Your small hotel must:

- be a member the Small Hotels of Barbados Inc. (SHBI);
- comply with the minimum standards as established by the European Travel Trade; and
- be registered and certified by the Barbados Tourism Authority;
- provide EGFL with proof that, (a) all statutory payments (N.I.S, P.A.Y.E. taxes, etc.) are current, or (b) that satisfactory arrangements have been made to bring any arrears current

What is the procedure for applying for funding?

Submit the following information and documentation to support your request for funding from the SHIF:

1. a business plan which:
 - a) clearly defines the project and provides cost estimates with supporting bills of quantities;
 - b) indicates how the proceeds of the requested loan will be used;
 - c) identifies other sources of financing if the cost of the project exceeds the amount requested from the SHIF;
 - d) demonstrates that the project team has the skills and experience to successfully implement the project;
 - e) provides information relating to shares such as the number of shares held by each shareholder;
 - f) provides information on the company's financial and management structure;
 - g) contains realistic financial projections for 5 years (balance sheet and income statement) with risk and sensitivity analysis. The financial projections must show that the company is able to meet its debt-service obligation;
2. audited financial statements for those companies which are required by the Companies Act of Barbados to file annual audited financial statements. Companies that are not required to file audited financial statements should provide three years financial statements supported by a review from an independent auditor.
3. copies of all corporate documentation such as, the Certificate of Incorporation and Notice of Directors or Notice of Change of Directors; and
4. proof of Governmental or corporate approvals, permits and consents required in connection with the execution of the project.

Is collateral required for SHIF loans?

Yes.

Who makes the loan decisions?

All loan decisions are made by the Investment Committee of the SHIF.

How long does it take to get a loan decision?

EGFL strives to get investment decisions within 4 to 8 weeks after the receipt of an application. However, the approval process depends on the quality and completeness of information submitted by applicants.

What is the repayment period for SHIF loans?

Loans must be repaid in full within 15 years. This includes a 5 year moratorium on the repayment of interest and principal. During the moratorium period interest accrues and the loan balance is increased by the unpaid portion of this interest.

Is interest charged for these loans?

Interest is 5% per annum fixed and is capitalised over the five year moratoria period.