

Frequently asked questions about The Tourism Loan Fund

What kinds of projects does the TLF finance?

The TLF provides funds to:

- renovate, expand and/or rebuild accommodation properties with seventy-five rooms or less; and
- construct, equip, renovate, expand and/or rebuild facilities used in a business which emphasizes the historical, cultural and natural heritage of Barbados.

How much funding can my business receive from the TLF?

Your business may qualify for BDS\$100,000 to \$5.6 million from the TLF

What is the procedure for applying for funding?

Submit a business plan that:

- clearly defines the project and provides cost estimates with supporting bills of quantities;
- indicates how the proceeds of the requested loan will be used;
- identifies other sources of financing if the cost of the project exceeds the amount requested from the TLF;
- demonstrates that the project team has the skills and experience to successfully implement the project;
- provides information relating to shares such as the number of shares held by each shareholder;
- provides information on the company's financial and management structure;
- 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.

Before applicants can receive any TLF funds, they must provide EGFL with proof that, (1) all statutory payments (N.I.S, P.A.Y.E. taxes, etc.) are current, or (2) that satisfactory arrangements have been made to bring any arrears current.

Is collateral required to receive TLF funds?

Yes

Who makes the loan decisions?

All investment decisions are made by the Board of EGFL.

How long does it take to get a loan/investment decision?

EGFL strives to make investment decisions within 4 to 8 weeks after the receipt of an application. However, the actual time taken depends on the quality and completeness of information submitted by applicants.

What is the repayment period for TLF loans?

Repayment periods are normally 15 years or less. However, loans may be granted for longer periods. Loans for periods greater than 15 years will attract a higher interest rate in the years after the 15th year of the loan.

Is there an interest charge on tourism loans?

The interest rate is variable and is currently 6.5% per annum

Are moratoria on the repayment of loans offered?

Moratoria periods, during which only interest payments are due and payable, are offered as follows:

1. the length of the construction and/or installation contract if that contract is less than one year;
2. a maximum of 1 year for loans that are 5 years or less;
3. a maximum of 2 years for loans over 5 years but less than or equal to 10 years; and
4. a maximum of 3 years for loans over 10 years;