

GOVERNMENT OF GUAM
OFFICE OF THE GOVERNOR
AGANA, GUAM

EXECUTIVE ORDER NO. 67-20

FARMERS SMALL LOAN REVOLVING FUND

WHEREAS, Section 2 of Public Law 9-121 appropriates Seventy-Five Thousand Dollars (\$75,000) from any available funds in the Unappropriated Surplus of the General Fund of the Government of Guam to be used as Farmers Small Loan Revolving Fund; and

WHEREAS, the Section further provides that such loan shall not exceed Two Thousand Five Hundred Dollars (\$2,500) each per household and that interest on such loan shall not be less than two percent (2%) per annum; and

WHEREAS, the earnings derived from the payment of interest on the Farmers Small Loan Revolving Fund shall not be distributed but shall be returned to the revolving fund; and

WHEREAS, the Section further provides the Governor shall by Executive Order promulgate all rules and regulations necessary for the operation of the Farmers Small Loan Revolving Fund;

NOW, THEREFORE, by virtue of the authority vested in me by Public Law 9-121 the following rules and regulations are hereby promulgated:

I. Administration

The Department of Agriculture, Government of Guam, shall be the responsible agency for administration of the Farmers Small Loan Revolving Fund and all transactions there under.

II. Rules and Regulations

A. Eligibility - applicant must:

1. own or lease land he is farming or intends to farm.
Lease be for periods no less than duration of loan;
2. be over 21 years of age;
3. must be a bonafide resident of Guam.

B. Type of Loans

1. Crop Loans: Loans will be made available for the rental of equipment, land preparation, purchase of seed, fertilizer, pesticide, and any other expense(s) incidental to the operation;

2. Poultry and Livestock Loans: Loans will be made available for the purchase of poultry and livestock, feed, medicants and pesticides, building materials and any other expense(s) incidental to the operation.

C. Maximum Loan and Interest Rate

Not more than one loan shall be extended per household. Loans granted under this fund shall not exceed Two Thousand Five Hundred Dollars (\$2,500) to each applicant and that interest to be charged on each loan shall be three percent (3%) per annum on the unpaid principal.

D. Security Requirements:

1. Crop Loans: Crop loans will be secured by the borrower for short term crops and upon execution of a marketing agreement with the Guam Farmers Cooperative Association to market all produce through said Association. Violation to this agreement shall constitute default of the applicant and all unpaid loan plus interest is due and payable immediately. No further disbursement of loan shall be permitted to violators unless loan committee so approved.
2. Poultry and Livestock Loans: Loans will be secured for the purchase of poultry and livestock, feed, medicants, and building materials to quarter said poultry or livestock. A marketing agreement, similar to that executed under a crop loan will be executed by the borrower and the Guam Farmers Cooperative Association.

E. Repayment Schedules and Terms

1. Crop Loans: The repayment of loans under this category will be for a period not to exceed 5 years. Initial repayments will commence not later than six months after harvest and delivery to the Guam Farmers Cooperative Association.
2. Poultry and Livestock Loans: The scheduled repayment of loans under this category will take into consideration the life/use of the poultry and livestock, said term not to exceed 5 years. Initial repayments will commence not later than the 13th month from date of loan.


F. Application and Records

Individuals desirous of obtaining an agricultural loan will complete an application form, farm plan, and other forms that are required. Further, it will be mandatory that the borrower keep appropriate records. This procedure must be complied with so as to assure the eventual success of the loan project. The Director of Agriculture or his representative will assist the borrower in establishing and in maintaining appropriate records.


G. Loan Committee

1. There is hereby established a Loan Committee appointed by the Governor. The Committee shall be composed of 5 members: Director of Agriculture, Director of Bureau of Budget, Director of Finance, a member of the business community, and a district Commissioner. A chairman shall be elected among the members.
2. The function of the Loan Committee shall be as follows:
 - (a) To review and approve the farm plan.
 - (b) To establish administrative loan policies.
 - (c) To review and act on all loan applications.
 - (d) To require periodic examination and audit of the books and accounts of the Farmers Small Loan Revolving Fund.
 - (e) All loans shall be subject to the approval of the Assistant to the Governor for Economic Development.

Dated at Agana, Guam this 14th day of December, 1967.


MANUEL F.L. GUERRERO
Governor of Guam

COUNTERSIGNED:


DENVER DICKERSON
Secretary of Guam