LEGISLATIVE ASSEMBLY
OF THE
CAYMAN ISLANDS

GOVERNMENT MOTION NO 9/2009-10

GOVERNMENT GUARANTEE IN RESPECT OF DEBT REFINANCING BY THE CAYMAN ISLANDS DEVELOPMENT BOARD (CIDB)

WHEREAS on 23rd February 2010, the Governor in Cabinet authorized that the Legislative Assembly's approval be sought for the issuance of a guarantee in the amount not to exceed US$5,000,000 to First Caribbean International Bank (Cayman) Limited (FCIB) for the purpose of approved loans awaiting funding and to support the ongoing lending programme.

The CIDB is seeking to utilize these funds for approved loans awaiting financing and to support the ongoing lending programme. CIDB currently has approximately CI$2,000,000 loans in the pipeline awaiting funding. The loans in the pipeline include mortgages totalling CI$735,000, business loans totalling CI$1,100,000 and student loans totalling CI$100,000.

The CIDB has invited proposals from local banks and FCIB has offered a financing facility (a 5-year Variable Rate Bond) to the CIDB for US$5,000,000 at a floating rate of 180-day USD LIBOR plus a margin of 275 basis points. The current effective floating rate is 3.20%.

AND WHEREAS section 8 of the Public Management and Finance Law (2005 Revision) provides that, as a general rule, no guarantee may be given by or on behalf of the Government unless it has been authorized by a resolution of the Legislative Assembly;

BE IT NOW THEREFORE RESOLVED that, in accordance with Section 8 of the Public Management and Finance Law (2005 Revision), the Legislative Assembly hereby authorizes the Honourable Minister for Finance, Tourism and Development to do the following:

Issue a Government Guarantee to First Caribbean International Bank (Cayman) Limited for an amount not to exceed US$5,000,000 for the purpose of funding CIDB's approved loans and to support the ongoing lending programme.

Moved by: The Honourable W. McKeeva Bush, OBE, JP
Premier & Minister for Finance, Tourism and Development

Received in the Office of the Clerk this 19th day of February, 2010

Passed by the Legislative Assembly this 1st day of March, 2010

Clerk of the Legislative Assembly