

Commercial Fishing Revolving Loan Fund Summary; With Details on Section B

CFRLF Declaration of Policy (AS 16.10.300):

“It is the policy of the state, under AS16.10.300—16.10.370 to promote the rehabilitation of the state’s fisheries, the development of a predominantly resident fishery, and the continued maintenance of commercial fishing gear and vessels throughout the state by means of long-term low interest loans.”

Provides Loans For:

- **Section A**—up to \$300,000 for the purchase of Entry Permits, or for existing Vessel or Gear upgrades for improving seafood quality, or for main or generator engine replacement for improving energy efficiency.
- **Section B**—up to \$100,000 for the purchase of Entry Permits, Vessel and Gear Upgrades (including engine energy efficiency upgrades), Vessel and Gear purchases, and Vessel Construction—with differing eligibility criteria, the most significant being that the applicant must not be able to obtain financing from a commercial bank.
- **Section C**—up to \$300,000 for the purchase of Quota Shares—with eligibility requirements similar to Section B applicants.
- **Section D**—up to \$35,000 to satisfy past due federal Tax Obligations.
- **Section E**—up to \$2 million for each eligible community for the purchase of Quota Shares by a Community Quota Entity (CQE).
- **Section F**—up to \$300,000 for existing Tender Vessel and Gear upgrades.

Current Section B Eligibility Requirements for Entry Permit Loans

- Must have been a state resident for a continuous period of two years immediately preceding date of application.
- Must not be eligible for financing through a commercial bank or through the Commercial Fishing and Agriculture Bank (CFAB).
- Must lack employment opportunities, other than commercial fishing, in area of residence, or must be economically dependent on commercial fishing as a livelihood and as a traditional way of life.
- Must not be past due on any child support obligations.
- Must never have received a loan under the Section A program.

Current Section B Entry Permit Loan Terms

- ❖ Maximum loan amount of \$100,000.
- ❖ Interest is prime rate plus two percentage points.
- ❖ Term of 15 years.
- ❖ Must be secured by a first priority lien and appropriate security agreement.
- ❖ Loan may not exceed 80 percent of the appraised value of the collateral used as security.