Commercial Fishing Loan Fund

Loan Program Goal and Objectives

To provide long-term, low interest loans to promote the development of predominantly resident fisheries, and continued maintenance of commercial fishing vessels and gear for the purpose of improving the quality of Alaska seafood products.

General Requirements

- Alaska resident for the past 2 years.
- Child support payments must not be past due.
- Provide a copy of each applicant's valid government issued identification at or before loan closing.

Definition of Resident

- Living in Alaska with the intent to remain indefinitely.
- Primary and permanent home in Alaska.
- Present in Alaska except for brief intervals (generally less than 90 days) except for military service, education or good cause.

Program Requirements

- Purchases - Loans are available for limited entry permits, quota shares, vessels, or gear purchased less than 12 months prior to the date your application is received.
- Refinancing - Vessels or gear loans made by other lenders more than one year prior to receipt of your application are eligible for financing.
- Collateral - The item being financed (limited entry permit, vessel, etc.) will be the collateral for the loan and, and generally, a priority lien must be obtained.

Terms and Conditions

- Interest rate is 2% above the Prime Rate, not to exceed 10.5%, not less than 3%.
- Interest rate for Product Quality Improvement and engine fuel efficiency upgrade loans is 2% **below** the Prime Rate, not to exceed 10.5%, not less than 3%.
- Interest rate will be fixed at the time of loan approval.
- Maximum loan term is 15 years.
- Borrower is responsible to pay all direct costs incurred in processing an application including surveys, inspections, appraisals, title insurance, etc.

Information and Applications

- Community Quota Entity (CQE)
- Engine Fuel Efficiency Upgrade
- Extension
- Limited Entry Permit Purchase
- Loan Assumption
- Product Quality Improvement
- Purchase of Quota Shares
- Refinance
- Refinance of Vessel or Gear
- Tax Obligation
- Tender Vessel Product Quality Improvement
- Vessel Purchase
- Vessel Upgrade or Gear Purchase/Upgrade

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Commercial Fishing Loan Fund

Limited Entry Permit

Select either Section A or B

Section A

Eligibilty

- Held limited entry permit, commercial fishing or crew member license for the year preceding the date of application and any other 2 of the past 5 years;

and

- Fished in Alaskan waters during qualifying years.

If you receive a loan under Section A, you will not be eligible for future loans under Section B unless the loan requested under Section A was for engine fuel efficiency.

Lending Limit

- The total balances outstanding on all loans made under Section A of the Commercial Fishing Loan Program may not exceed $300,000.
- The total blances outstanding on all loans made under the Program may not exceed $400,000.

Section B

Eligibility

- At least 25% of applicant's total gross income for past 2 years was from commercial fishing;

or

- Applicant lacks training or employment opportunities in area of residence other than commercial fishing;

and

- Applicant is not eligible for financing from a recognized commercial lender.

Section B applicants may not have received a prior loan under Section A at any time.

Lending Limit

- The total balances outstanding on all loans made under Section B of the Commercial Fishing Loan Program may not exceed $100,000.
- The total balances outstanding on all loans made under the Program may not exceed $400,000.

Sections A & B

Collateral Requirements

- Generally, the maximum loan amount for a loan secured by a limited entry permit is 80% of either the market value (as valued by the Commercial Fisheries Entery Commission) or the purchase price, whichever is less.
- The maximum loan amount may be increased by offering additional collateral.

Terms and Conditions

- Interest rate is 2% above the Prime Rate, not to exceed 10.5%, not less than 3%, fixed at the time of loan approval.
- Maximum loan term is 15 years.
- Borrower is responsible for all direct costs incurred in processing an application.

Fees

- A $100 application fee must accompany all applications.
- Prequalification Fee - $200.00. If you have not located a limited entry permit to purchase, you may want to obtain conditional approval by submitting a prequalification application.

  The following are some advantages to prequalification:
  - You know your loan limit
  - Seller is assured of a qualified buyer
  - Faster loan processing after finding the permit
  - Loan funds are committed
  - Approval is valid for 60 days

- An origination fee of 1% of the loan amount will be deducted from your loan proceeds at closing.

Limited Entry Permit Loan Application Package

There are different pages 1 and 2 for each different type of loan (limited entry permit, vessel purchase, etc.). If you are applying for more than one type of loan, complete pages 1 and 2 for each type of loan, then complete one set of pages 3 through 13. A separate application fee is required for each type of loan.

The following Commercial Fishing Limited Entry Permit Application pages are in PDF format. You will need the Adobe Reader in order to view/print them. Acrobat Reader is distributed freely and available for download from Adobe®.

Loan Application

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Commercial Fishing Loan Fund

Vessel Purchase - Section B

Eligibilty

- At least 25% of applicant's total gross income for past 2 years was from commercial fishing;

or

- Applicant lacks training or employment opportunities in area of residence other; than commercial fishing;

and

- Applicant is not eligible for financing from a recognized commercial lender.

Section B applicants may not have received a prior loan under Section A at any time unless the loan requested under Section A was for engine fuel efficiency.

Lending Limit

- The total balances outstanding on all loans made under Section B of the Commercial Fishing Loan program may not exceed $100,000.
- The total balances outstanding on all loans made under the program may not exceed $400,000.

Collateral Requirements

- Generally, the maximum amount for a loan secured by a documented vessel is 75% (65% for AK vessels) of either the survey value or the purchase price, whichever is less.

  Example:
  The survey value of a vessel is $120,000 and the purchase price is $100,000.

  Maximum Loan amount $75,000: 75% of the purchase price (for documented vessels), as it is less than the survey value.

  or

  Maximum loan amount = $65,000: 65% of the purchase price (for AK vessels), as it is less than the survey value.

- The maximum loan amount may be increased by offering additional collateral.

Terms and Conditions

- Interest rate is 2% above the Prime Rate, not to exceed 10.5%, not less than 3%, fixed at the time of loan approval.
- Maximum loan term is 15 years.
- Borrower is responsible for all direct costs incurred in processing an application.

Fees

- A $100 application fee must accompany all applications.
- Preauthorization Fee - $100.00. If you have not located a vessel to purchase, you may want to obtain conditional approval by submitting a preauthorization application.

  The following are some advantages to preauthorization:
  - You know your loan limit
  - Seller is assured of a qualified buyer
  - Faster loan processing after finding a vessel
  - Loan funds are committed
  - Approval is valid for 90 days

- An origination fee of 1% of the loan amount will be deducted from your loan proceeds at closing.

Quick Links...

- Alaska Capstone Avionics Loan Program
- Community Quota Entity (CQE)
- Commercial Fishing
- Small Business Economic Development
- Rural Development Initiative Fund
- Fisheries Enhancement

Of Interest...

- Interest Rates
- IFQs for Sale
- Permits for Sale
- Real Estate for Sale
- Vessels for Sale
- Auto Pay Program
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- Staff Photos
- Comments
- Related Sites

Vessel Purchase Loan Application Package

There are different pages 1 and 2 for each different type of loan (limited entry permit, vessel purchase, etc.). If you are applying for more than one type of loan, complete pages 1 and 2 for each type of loan, then complete one set of pages 3 through 13. A separate application fee is required for each type of loan.

The following Commercial Fishing Vessel Purchase Application pages are in PDF format. You will need the Adobe Reader in order to view/print them. Acrobat Reader is distributed freely and available for download from Adobe®.

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Commercial Fishing Loan Fund

Vessel Upgrade or Gear Purchase/Upgrade - Section B

The following types of loans are available under this loan purpose category:

- All types of vessel upgrades (for product quality improvement, see PQI page)
- Gear purchases
- Engine rebuilds
- Engine replacements (for engine fuel efficiency, see engine fuel efficiency upgrade page)

Eligibilty

- At least 25% of applicant's total gross income for past 2 years was from commercial fishing;

or

- Applicant lacks training or employment opportunities in areas of residence other than commercial fishing;

and

- Applicant is not eligible for financing from a recognized commercial lender.

Section B applicants may not have received a prior loan under Section A at any time unless the loan requested under Section A was for engine fuel efficiency.

Lending Limit

- The total balances outstanding on all loans made under Section B of the Commercial Fishing Loan Program may not exceed $100,000.
- The total balances outstanding on all loans made under the Program may not exceed $400,000.

Collateral Requirements

- Generally, the maximum loan amount for a loan secured by a documented vessel is 75% of the survey value (65% for AK vessels).
- The maximum loan amount may be increased by offering additional collateral.

Terms and Conditions

- Interest rate is 2% above the Prime Rate, not to exceed 10.5%, not less than 3%, fixed at the time of loan approval.
- Interest rate is 2% below the Prime Rate for engine replacement and rebuilds that will improve fuel efficiency, fixed at the time of loan approval.
- Maximum loan term is 15 years.
- Borrower is responsible for all direct costs incurred in processing an application.

Fees

- A $100 application fee must accompany all applications.
- An Orgination Fee of 1% of the loan amount will be deducted from your loan proceeds at closing.

Vessel Upgrade or Gear Purchase/Upgrade - Section B Loan Application Package

There are different pages 1 and 2 for each different type of loan (limited entry permit, vessel purchase, etc.). If you are applying for more than one type of loan, complete pages 1 and 2 for each type of loan, then complete one set of pages 3 through 13. A separate application fee is required for each type of loan.

The following Commercial Fishing Vessel or Gear Purchase/Upgrade Application pages are in PDF format. You will need the Adobe Reader in order to view/print them. Acrobat Reader is distributed freely and available for download from Adobe®.

Search find

Quick Links...

- Alaska Capstone Avionics Loan Program
- Community Quota Entity (CQE)
- Commercial Fishing
- Small Business Economic Development
- Rural Development Initiative Fund
- Fisheries Enhancement

Of Interest...

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Commercial Fishing Loan Fund

Engine Fuel Efficiency Upgrade

Select either Section A or B
Purpose of the upgrade must be to improve the fuel efficiency of the propulsion engine or generator engine replacement on an existing vessel.

Section A

Eligibilty

- Held limited entry permit, commercial fishing or crew member license and 2 other years out of the past 5 years;

and

- Fished in Alaskan waters during qualifying years.

If you receive a loan under Section A, you will not be eligible for future loans under Section B unless the loan requested under Section A was for engine fuel efficiency.

Lending Limit

- The total outstanding balances on all loans made under Section A of the Commercial Fishing Loan Program may not exceed $300,000.
- Total Balance outstanding on all Section A and Section B loans may not exceed $400,000.

Section B

Eligibility

- At least 25% of applicant's total gross income for past 2 years was from commercial fishing;

or

- Applicant lacks training or economic opportunities in area of residence other than commercial fishing;

and

- Applicant does not have other sources of financing available.

Section B applicants may not have received a prior loan under Section A at any time.

Lending Limit

- The total outstanding balances on all loans made under Section B of the Commercial Fishing Loan Program may not exceed $100,000.

Sections A & B

Collateral Requirements

- Generally, the maximum loan amount for a loan secured by a documented vessel is 75% of the survey value (65% for AK vessels).
- The maximum loan amount may be increased by offering additional collateral.

Fees

- A $100 application fee must accompany all applications.
- An origination fee of 1% of the loan amount will be deducted from your loan proceeds at closing.

Engine Fuel Efficiency Upgrade Loan Application Package

There are different pages 1 and 2 for each different type of loan (limited entry permit, vessel purchase, etc.). If you are applying for more than one type of loan, complete pages 1 and 2 for each type of loan, then complete one set of pages 3 through 13. A separate application fee is required for each type of loan.

The following Commercial Fishing Engine Fuel Efficiency Upgrade Application pages are in PDF format. You will need the Adobe Reader in order to view/print them. Acrobat Reader is distributed freely and available for download from Adobe®.

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Commercial Fishing Loan Fund

Product Quality Improvement

Select either Section A or B
Purpose of the upgrade must be to improve the quailty of the seafood.

Section A

Eligibilty

- Held limited entry permit, commercial fishing or crew member license for the year preceding date of application and 2 other years out of the past 5 years;

and

- Fished in Alaskan waters during qualifying years.

If you receive a loan under Section A, you will not be eligible for future loans under section B unless the loan requested under Section A was for engine fuel efficiency.

Lending Limit

- The total balances outstanding on all loans made under Section A of the Commercial Fishing Loan program may not exceed $300,000.
- The total balances outstanding on all loans made under the program may not exceed $400,000.

Section B

Eligibility

- At least 25% of applicant's total gross income for past 2 years was from commercial fishing;

or

- Applicant lacks training or employment opportunities in area of residence other than commercial fishing;

and

- Applicant is not eligible for financing from a recognized commercial lender.

Section B applicants may not have received a prior loan under Section A at any time.

Lending Limit

- The total balance outstandings on all loans made under Section B of the Commercial Fishing Loan program may not exceed $100,000.
- The total balances outstanding on all loans made under the program may not exceed $400,000.

Sections A & B

Collateral Requirements

- Generally, the maximum loan amount for a loan secured by a documented vessel is 75% of the survey value (65% for AK vessels).
- The maximum loan amount may be increased by offering additional collateral.

Terms and Conditions

- Interest rate is 2% below the Prime Rate, not to exceed 10.5%, not less than 3%, fixed at the time of loan approval.
- Maximum loan term is 15 years.
- Borrower is responsible for all direct costs incurred in processing an application.

Quick Links...

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Fees

- A $100 application fee must accompany all applications.
- An origination fee of 1% of the loan amount will be deducted from your loan proceeds at closing.

Product Quality Improvement Loan Application Package

There are different pages 1 and 2 for each different type of loan (limited entry permit, vessel purchase, etc.). If you are applying for more than one type of loan, complete pages 1 and 2 for each type of loan, then complete one set of pages 3 through 13. A separate application fee is required for each type of loan.

The following Commercial Fishing Product Quality Improvement Application pages are in PDF format. You will need the Adobe Reader in order to view/print them. Acrobat Reader is distributed freely and available for download from Adobe®.

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