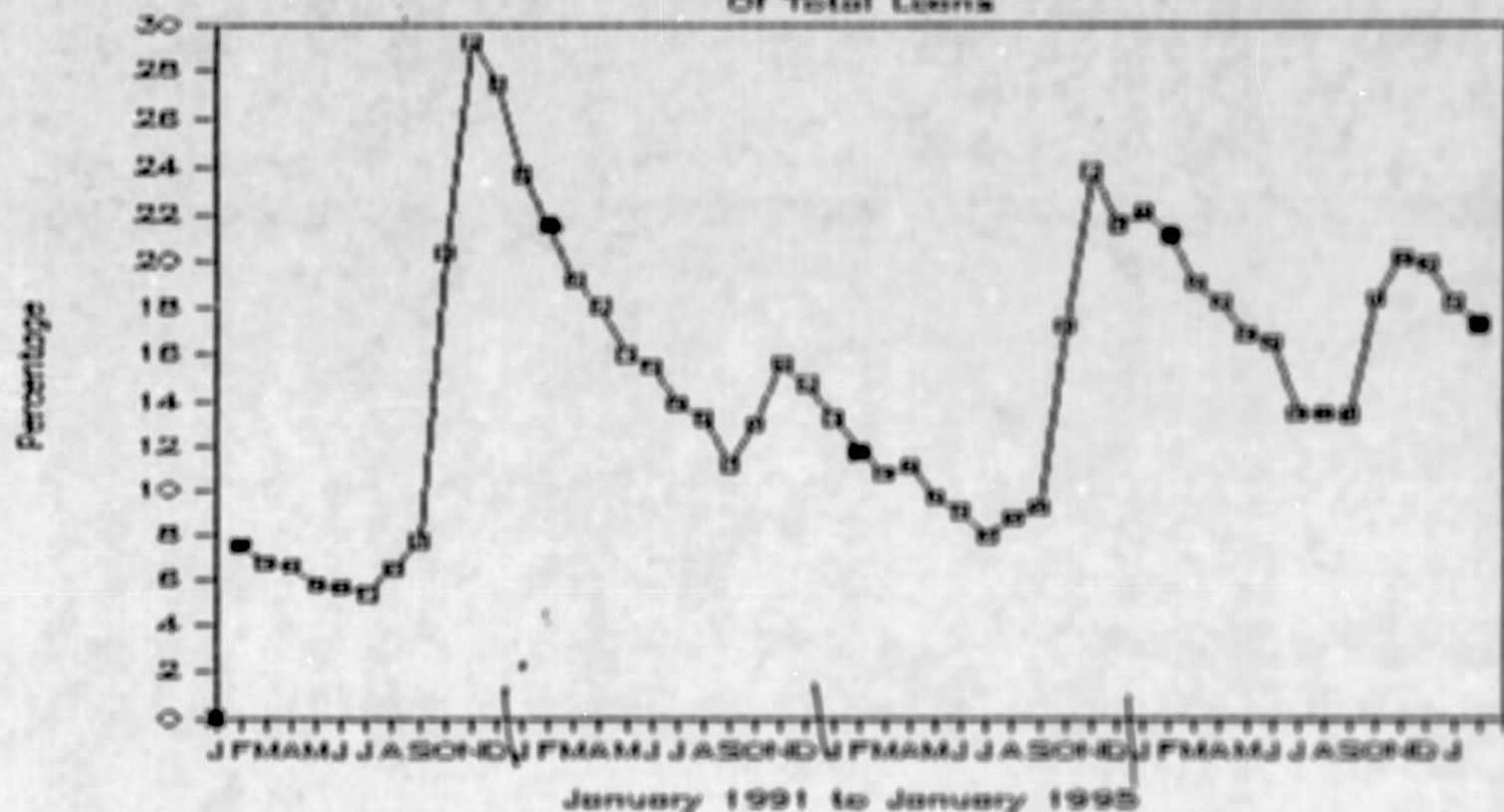


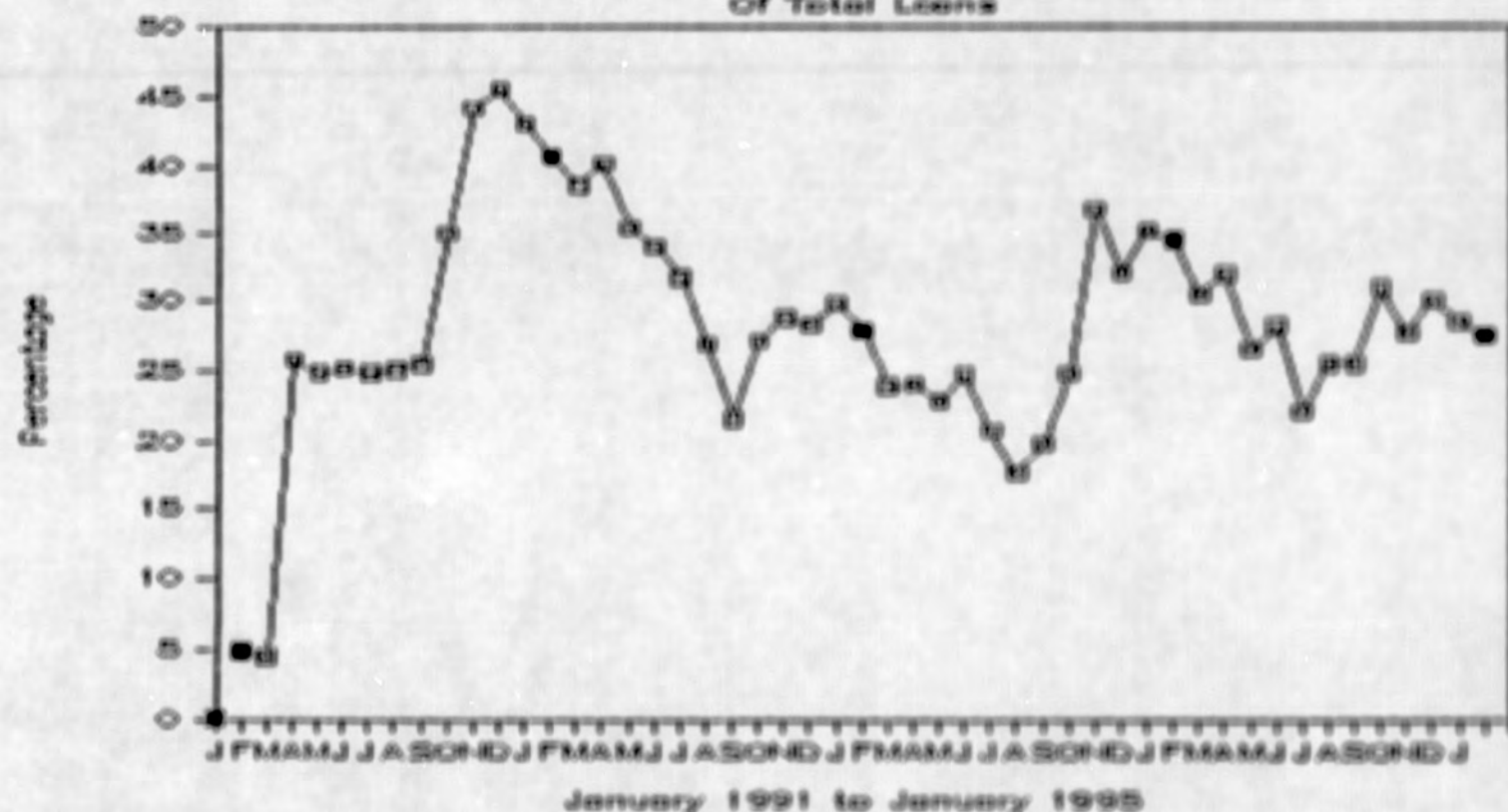
SCOMM

95:8

OF LOANS DELINQUENT AS A % Of Total Loans



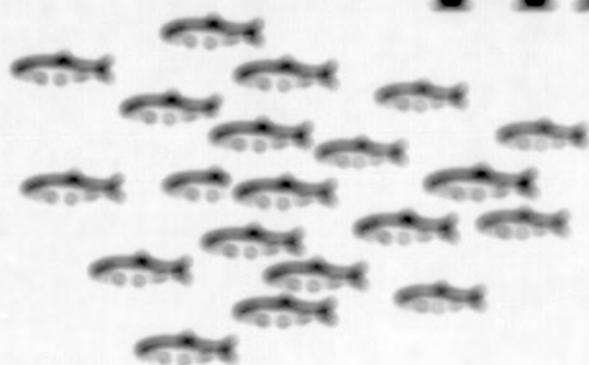
OF DOLLARS DELINQUENT AS A % Of Total Loans



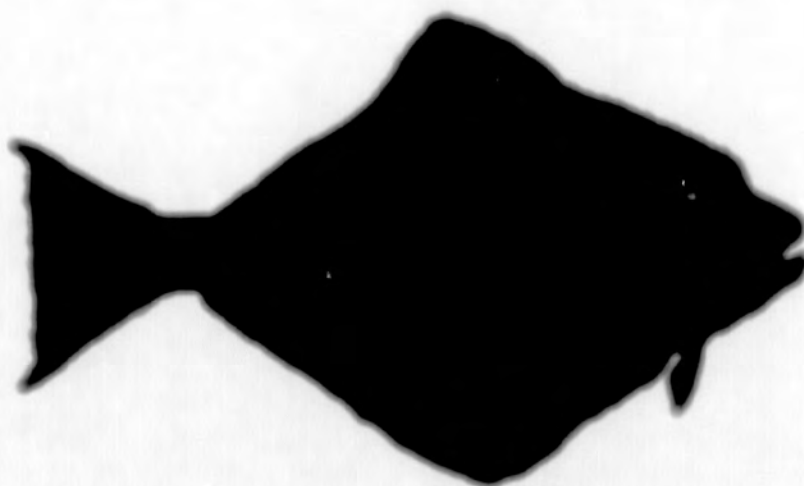
600 million
19,400,000,000
15 million
1975

**Division of Investments
Commercial Fishing
Loan Program**

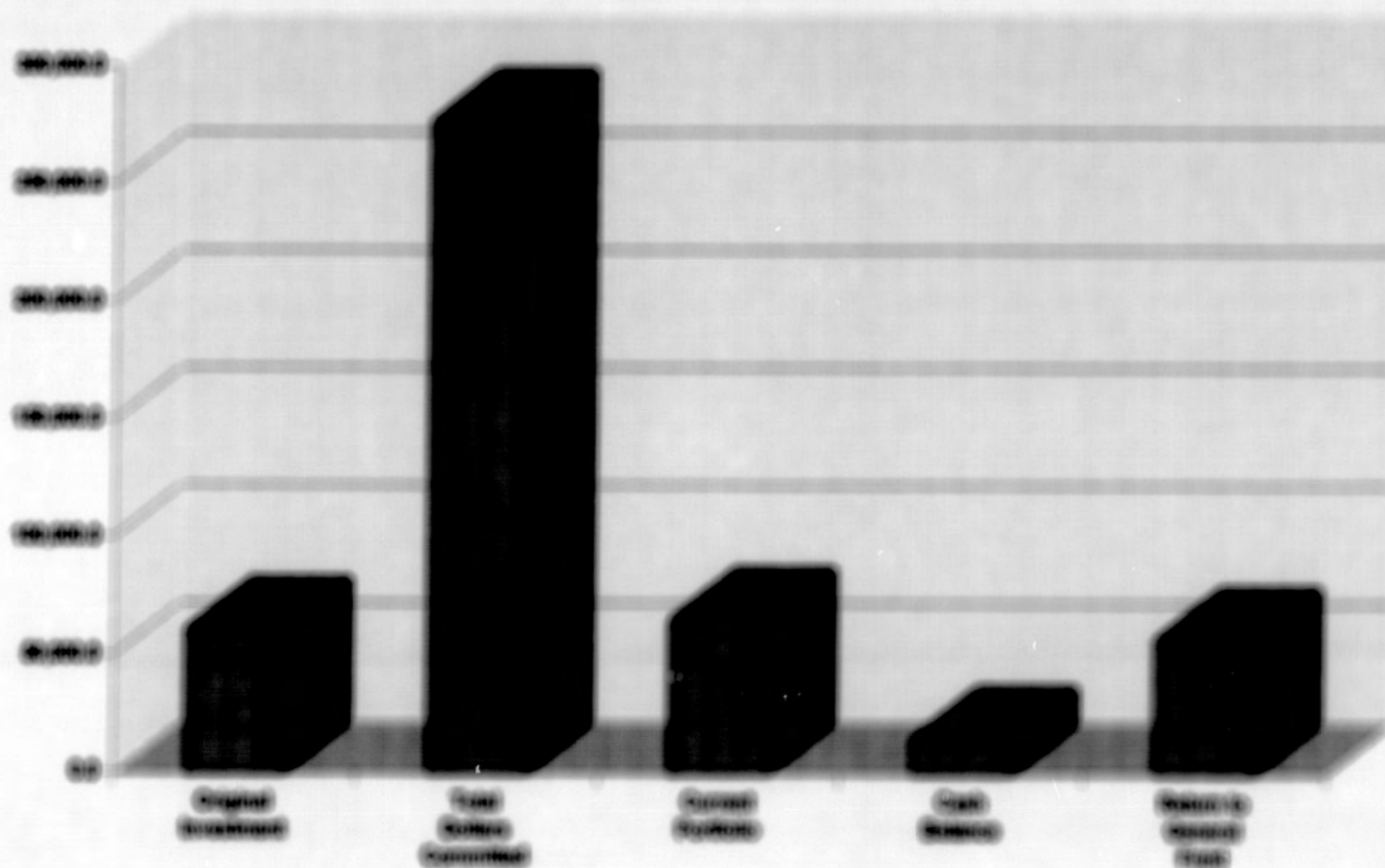
FY96



February 27, 1995



Commercial Fishing Revolving Loan Fund



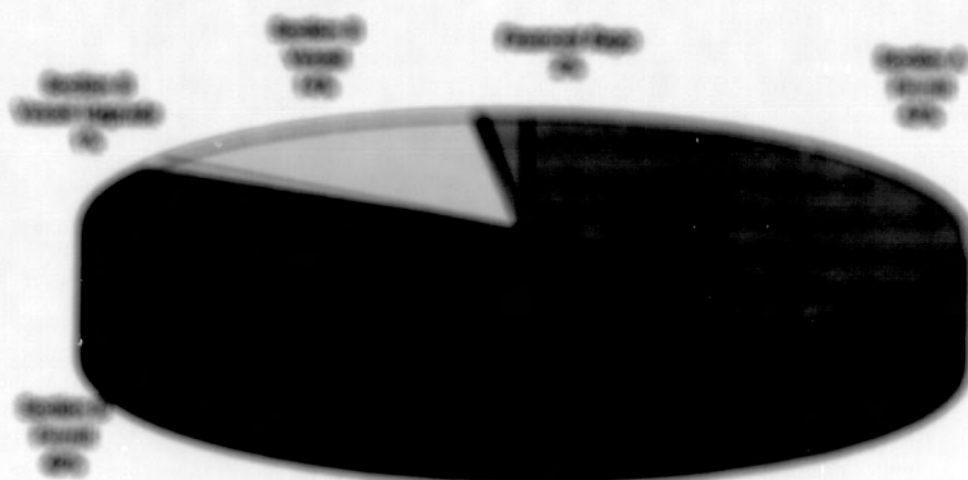
Reported As: September 30, 1988

Source: US Department of Commerce

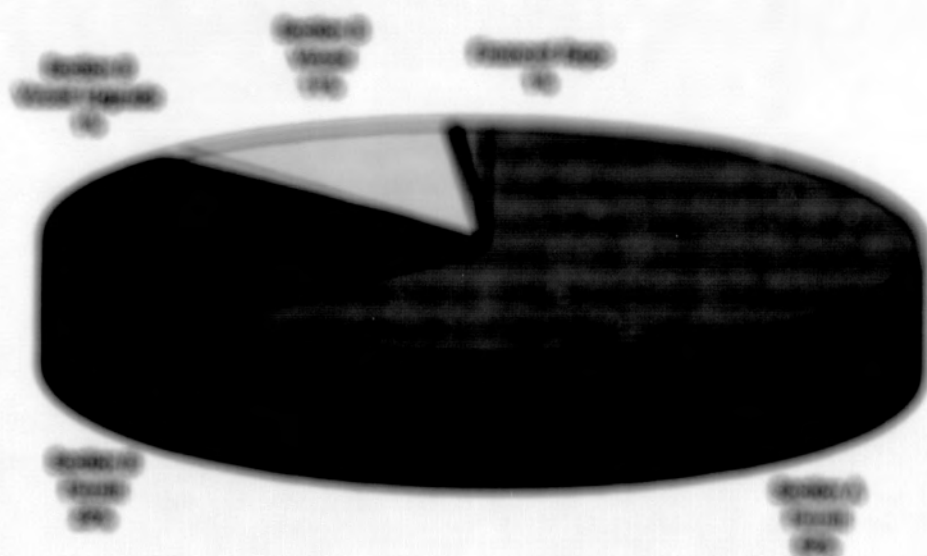
US Department of Commerce and Economic Development

Commercial Fishing Reversing Loan Fund FY84

\$ of Loans Outstanding

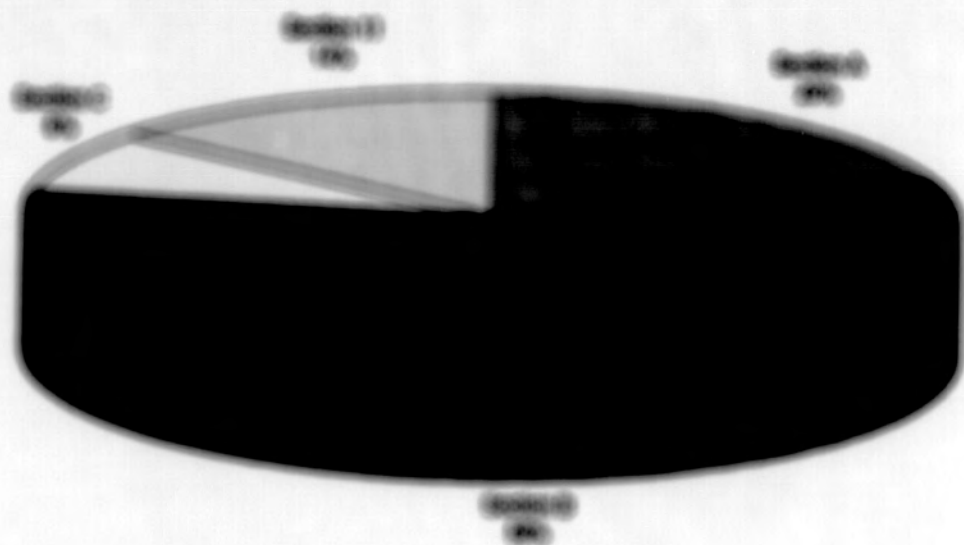


\$ of Loans Outstanding

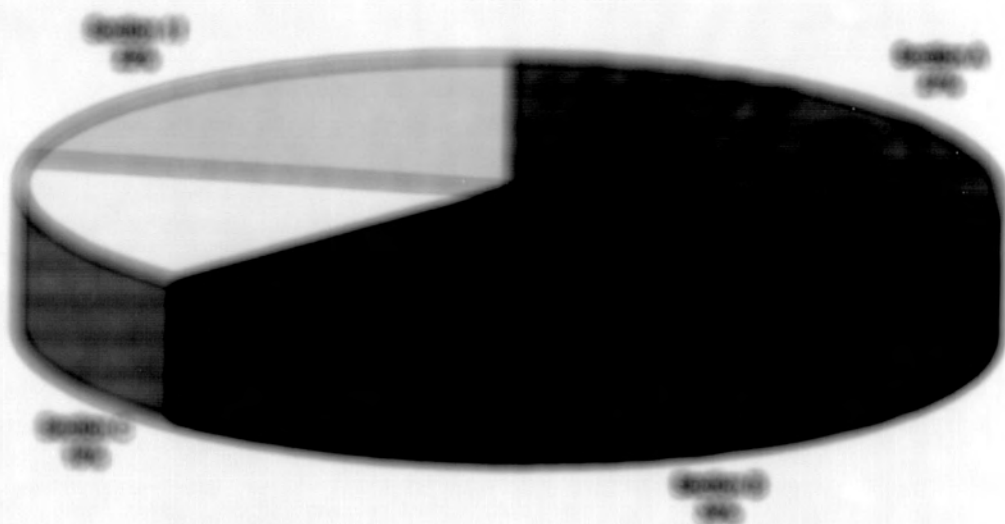


Commercial Fishing Revolving Loan Fund FY95 YTD - 1-21-96

6 of Applications

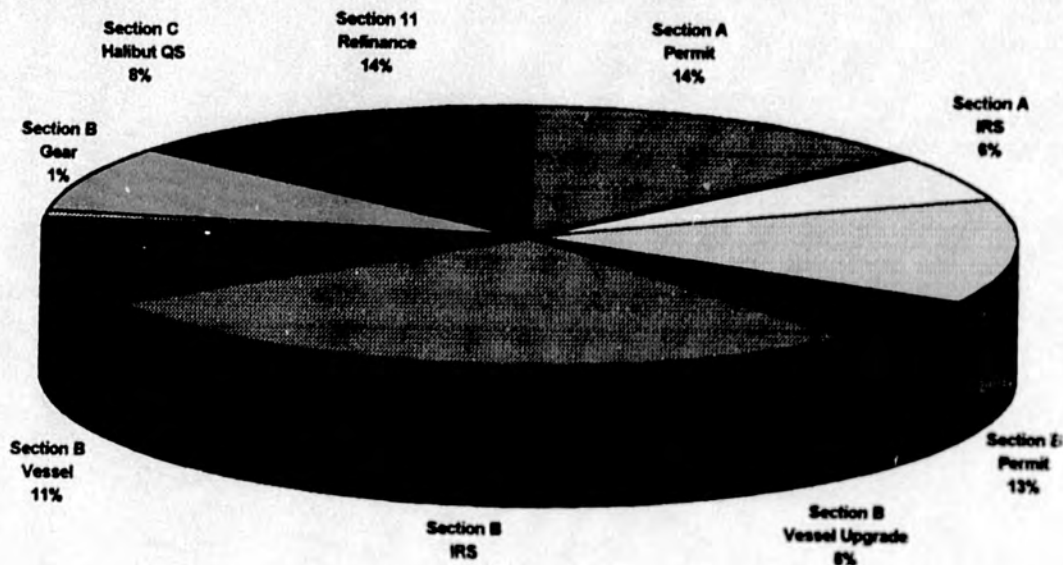


8 of Applications

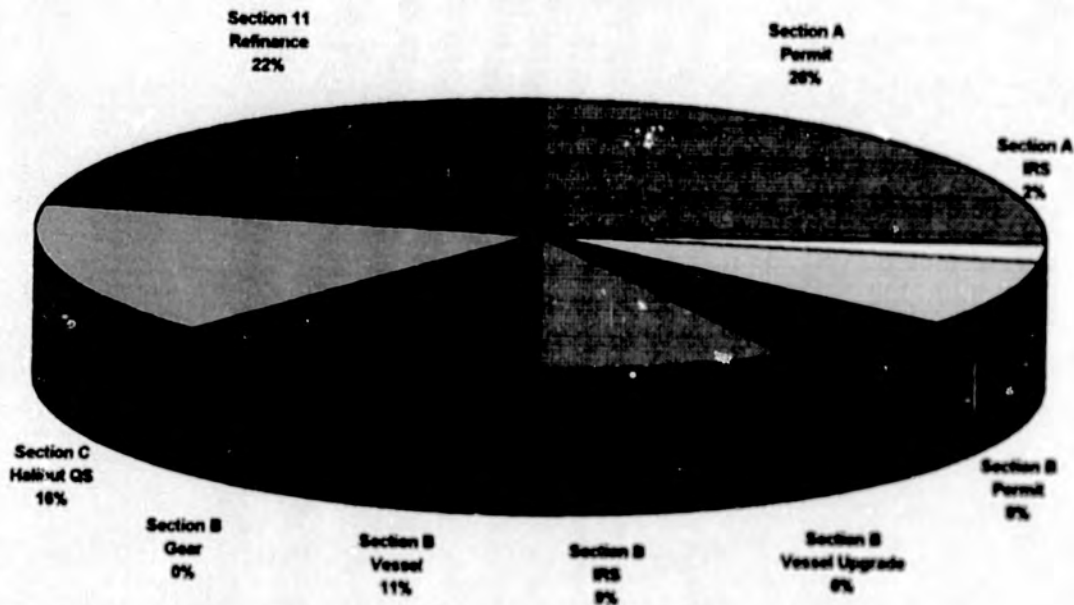


Commercial Fishing Revolving Loan Fund FY95 YTD - 1-31-95

of Applications



\$ of Applications



Division of Investments

Alaska Department of Commerce and Economic Development

DIVISION OF INVESTMENTS
ALASKA DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

PROPOSED ORDER OF PRIORITY
FOR THE COMMERCIAL FISHING LOAN PROGRAM

- 1) Purchase Permit
- 2) IRS Loan to Protect Permit
- 3) Vessel Upgrade or Purchase (includes refrigeration)
- 4) Gear
- 5) IFQ's
- 6) Refinance Other Loans
- 7) Excess Fund Transfer

By Regulation

DIVISION OF INVESTMENTS
ALASKA DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
COMMERCIAL FISHING REVOLVING LOAN FUND
HISTORICAL SUMMARY
(Dollars in Thousands)

AS 16.10.300; enacted in 1972

3 AAC 80.010 - .090, .900

The Commercial Fishing Revolving Loan Fund consists of three sections, A, B, and C, each with its own particular requirements. The loan program allows for prequalifications for loans to purchase limited entry permits and quota shares and for assumptions of existing loans.

Section A loans may be made for the purchase of limited entry permits, the upgrading of existing vessels to improve product quality, the retirement of federal tax obligations, and the refinancing of loans used to purchase commercial fishing vessels or gear from other lenders. *Eligibility:* Loans may be made to individual commercial fishermen who have been Alaska residents for the past two years and have been active in the applicable fishery during the past three out of five years.

Section B loans may be made for the repair, restoration or upgrading of existing vessels and gear, the purchase of limited entry permits, vessels and gear, the retirement of federal tax obligations, and the refinancing of loans used to purchase commercial fishing vessels or gear from other lenders. *Eligibility:* Loans may be made to individuals who have been Alaska residents for the past two years and, due to a lack of training or lack of employment opportunities in the area of residence, do not have occupational opportunities available other than commercial fishing or are economically dependent on commercial fishing for a livelihood.

Section C loans may be made for the purchase of quota shares. *Eligibility:* Loans may be made to individuals who have been Alaska residents for the past two years, possessed a permit or crew license and actively participated in a fishery for two of the past five years, qualifies as a transferee for quota shares, and is not eligible for financing from other recognized commercial lending institutions.

Terms: Maximum loan amount: Section A - \$300.0; Section B - \$100.0; Section C - \$300.0
Maximum loan term - 15 years Interest rate - fixed rate at Prime + 2%

Statistics as of December 31, 1994:

Total appropriations to RLF -	\$60,201.0	Last appropriation to RLF - \$3,710.0 in 1985
Total appropriations from RLF -	(56,238.9)	
Net of appropriations	\$3,962.1	

Total number of loans committed: 4,316

Total dollars committed: \$276,182.0

Current statistics: Number of loans outstanding: 1,206
Principal amount outstanding: \$64,251.1

**Delinquency
and Default Rates**
% Delinquent
% in default

**Based on
Principal Balance**
21.2%
.8%

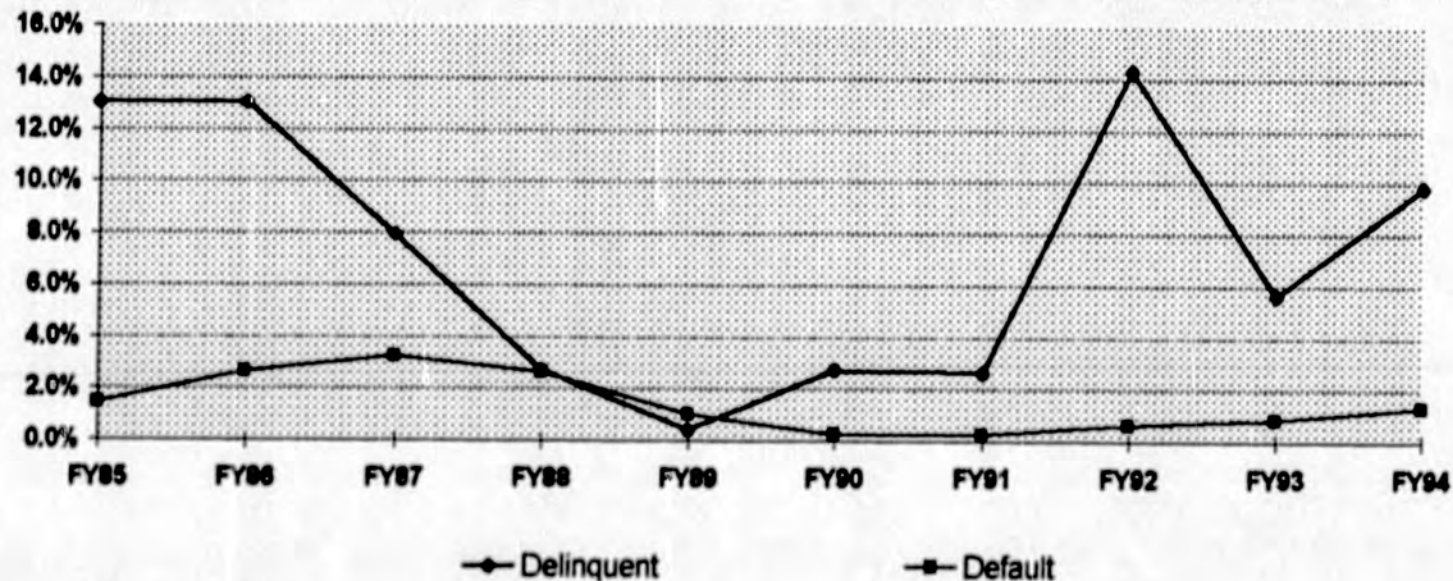
**Based on
No. of Loans**
14.4%
.7%

Prepared by: Division of Investments
Revised February 22, 1995

Commercial Fishing Revolving Loan Fund

Delinquent - Default History

	% of \$ Outstanding Delinquent	% of \$ Outstanding Default	Total Delinquent & Default % of \$ Outstanding
FY85	13.0%	1.4%	14.4%
FY86	13.0%	2.6%	15.6%
FY87	7.9%	3.2%	11.1%
FY88	2.7%	2.6%	5.3%
FY89	0.4%	1.0%	1.4%
FY90	2.7%	0.2%	2.9%
FY91	2.6%	0.2%	2.8%
FY92	14.3%	0.6%	14.9%
FY93	5.6%	0.8%	6.4%
FY94	9.8%	1.3%	11.1%



Source: Delinquency & Foreclosure Summary Report - 6-30-XX

Delinquent is defined as 60 days or more past due, not in litigation.

Default is defined as in litigation.

Division of Investments
Alaska Department of Commerce and Economic Development

DIVISION OF INVESTMENTS
ALASKA DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
COMMERCIAL FISHING REVOLVING LOAN FUND

LOAN TYPE	MAX. LOAN AMOUNT	INTEREST RATE	MAX. LOAN TERM	LOAN PURPOSE	ELIGIBILITY
Section A	\$300,000	Prime +2	15 yrs.	Purchase limited entry permits Upgrade existing vessels to improve product quality Pay past-due federal taxes to prevent loss of permit Refinance commercial fishing loans from other lenders	Alaska resident for the past 2 years Active in fishery for 3 of the past 5 years
Section B	\$100,000	Prime +2	15 yrs.	Repair, restore or upgrade existing vessels or gear Purchase limited entry permits, vessels or gear Pay past-due federal taxes to prevent loss of permit Refinance commercial fishing loans from other lenders.	Alaska residents for the past 2 years No other occupational opportunities available in area Economically dependent on commercial fishing for a living
Section C	\$300,000	Prime +2	15 yrs.	Purchase individual fishing quota shares	Alaska resident for the past 2 years Possesses a permit or crew license Active participant in fishery for 2 of the past 5 years Qualifies as a transferee for quota shares Not eligible for financing from other commercial lenders.

DIVISION OF INVESTMENTS
ALASKA DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

COMMERCIAL FISHING LOAN PROGRAM

LENDING LIMITS

Section A: \$300,000 less total outstanding balances from all Division of Investments (DOI) commercial fishing loans **excluding** loans made under Section C for quota shares.

Section B: \$100,000 less the total outstanding loan balances from any previous DOI commercial fishing loans made under Section B.

Section C: \$300,000 less the total outstanding loan balances from any previous DOI commercial fishing loans made under Section C. This \$300,000 is in addition to loans made under Sections A, B, or 11 (Refinance).

Section 11 (Refinance): \$300,000 less the total outstanding loan balances from any previous DOI commercial fishing loans made under Sections A, B, or 11 (Refinance).

Tax Obligation: One-time only loan up to \$30,000 to be made under Section A or B. The tax obligation loan amount is to be included when determining the lending limits under Section A or B.

Prepared: February 27, 1995

DIVISION OF INVESTMENTS
ALASKA DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

ELIGIBILITY

Section A (Permits, vessel upgrades, and tax obligation loans):

- ♦ Two-year residency; **and**
- ♦ Must have held a limited entry permit, commercial fishing or crew member license for three of past five years including year immediately preceding date of application, **and**
- ♦ Establish that for each year claimed applicant actively participated in the fishery with the intent to make a profit during those periods. Active participation is defined by regulation as:
 - 30% or more of gross income was from commercial fishing, **or**
 - that applicant fished 25 days of each year claimed, **or**
 - that applicant fished 50% or more of the days that fishery was open.

Section B (Permits, vessels, gear, and tax obligation loans):

- ♦ Two-year residency; **and**
- ♦ Applicant must demonstrate that:
 - due to lack of training or lack of employment opportunities in the area of residence, do not have occupational opportunities other than commercial fishing, **or**
 - is economically dependent on commercial fishing for a livelihood which regulation defines as 30% or more of gross income over past two years was from commercial fishing, **and**
- ♦ Applicant does not have other sources of financing available, **and**
- ♦ Has never had a loan under Section A.

Section C (Quota Shares):

- ♦ Two-year residency; **and**
- ♦ Must have held a limited entry permit, commercial fishing or crew member license for two of the past five years, **and**
- ♦ Qualify as a transferee for quota shares, **and**
- ♦ Establish that for each year claimed applicant actively participated in the fishery with the intent to make a profit during those periods. Active participation is defined by regulation as:
 - 30% or more of gross income was from commercial fishing, **or**
 - that applicant fished 25 days of each year claimed, **or**
 - that applicant fished 50% or more of the days that fishery was open, **and**
- ♦ Are **not** eligible for financing from other recognized commercial lending institutions to purchase quota shares.

ELIGIBILITY (continued)

Assumptions and Refinance of Existing Loans (to lower interest rate):

- ♦ Two-year residency only.

Section 11 (Refinance of vessel loans made by other lending institutions):

- ♦ Two-year residency; **and**
- ♦ Must have held a limited entry permit, commercial fishing or crew member license for three of past five years including year immediately preceding date of application, **and**
- ♦ Establish that for each year claimed applicant actively participated in the fishery with the intent to make a profit during those periods. Active participation is defined by regulation as:
 - 30% or more of gross income was from commercial fishing, **or**
 - that applicant fished 25 days of each year claimed, **or**
 - that applicant fished 50% or more of the days that fishery was open.

OR

- ♦ Two-year residency; **and**
- ♦ Applicant must demonstrate that:
 - due to lack of training or lack of employment opportunities in the area of residence, do not have occupational opportunities other than commercial fishing, **or**
 - is economically dependent on commercial fishing for a livelihood which regulation defines as 30% or more of gross income over past two years was from commercial fishing.

OR

- ♦ Two-year residency; **and**
- ♦ Must have held a limited entry permit, commercial fishing or crew member license for two of the past five years, **and**
- ♦ Qualify as a transferee for quota shares, **and**
- ♦ Establish that for each year claimed applicant actively participated in the fishery with the intent to make a profit during those periods. Active participation is defined by regulation as:
 - 30% or more of gross income was from commercial fishing, **or**
 - that applicant fished 25 days of each year claimed, **or**
 - that applicant fished 50% or more of the days that fishery was open.

10/7/94

DIVISION OF INVESTMENTS
ALASKA DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

23-Feb-95

<u>Approved</u>	<u>48</u>
<u>Disapproved</u>	<u>10</u>
<u>Withdrawn</u>	<u>0</u>
<u>have been processed</u>	<u>58</u>

Total applications rec'd: 98

Total amount requested: \$2,232,812.11

Total amount approved: \$940,731.00

BORROWER	CITY	AMOUNT REQUESTED
Martushev, Peter	ANCHOR PT	\$24,000.00
Albright, Duane C.	ANCHORAGE	\$26,300.00
Benson, Roger L.	ANCHORAGE	\$30,000.00
Boyles, Donald	ANCHORAGE	\$26,572.00
Buckmeier, Timothy J.	ANCHORAGE	\$17,750.00
Dillon, Joyce	ANCHORAGE	\$24,000.00
Kanulie, James P.	ANCHORAGE	\$14,839.49
Nelson, Andrew	ANCHORAGE	\$22,500.00
Nelson, Nida	ANCHORAGE	\$22,500.00
Rodgers, Kenny R.	ANCHORAGE	\$30,000.00
Rudolph, Harold F.	ANCHORAGE	\$5,729.66
Simpson, David	ANCHORAGE	\$30,000.00
Vaughn, J. Paul	ANCHORAGE	\$30,000.00
Edmondson, Daniel B.	AUKE BAY	\$9,294.00
Jacobs, Chris J.	BETHEL	\$9,295.00
Alber, Louie E.	CORDOVA	\$30,000.00
Alber, Nina L.	CORDOVA	\$30,000.00
Bray, Russell	CORDOVA	\$30,000.00
Graham, Donald D.	CORDOVA	\$30,000.00
Johnson, John D.	CORDOVA	\$11,500.00
Johnson, Steve M.	CORDOVA	\$13,500.00
Keitel, Jack, S. Sr.	CORDOVA	\$22,000.00
Kramer, Dean	CORDOVA	\$28,000.00
Maxwell, Robert	CORDOVA	\$15,268.00
Nippell, Charles P.	CORDOVA	\$16,000.00
Septien, Richard K.	CORDOVA	\$29,800.00
Shaw, Brian J.	CORDOVA	\$30,000.00
Shipman, Harry	CORDOVA	\$30,000.00
Thorne, Gery	CORDOVA	\$30,000.00
Anderson, Emil	DILLINGHAM	\$30,000.00
Darrough, Robert	DILLINGHAM	\$30,000.00
Fletcher, Evan Sr.	DILLINGHAM	\$30,000.00
Nelson, Martin J.	DILLINGHAM	\$27,700.00
Chmiel, Carol A.	EGEGIK	\$30,000.00
Chmiel, Morgan T	EGEGIK	\$30,000.00
Busby, Thomas E.	ELFIN COVE	\$17,000.00
Aketachunak, Clyde	EMMONAK	\$30,000.00
Yatchmeneff, Peter	FALSE PASS	\$15,995.00
Rice, Kim	GIRDWOOD	\$16,381.00
Basargin, Dimitre	HOMER	\$25,959.00
Kallenberg, Walter	HOMER	\$30,000.00
Sanderson, Robert	HYDABURG	\$20,000.00
Abbott, George W.	JUNEAU	\$5,000.00
Martin, James Al	JUNEAU	\$11,000.00
Jones, Terre	KENAI	\$30,000.00

DIVISION OF INVESTMENTS
ALASKA DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

BORROWER	CITY	AMOUNT REQUESTED
Linderman, James	KENAI	\$30,000.00
Linderman, Nancy	KENAI	\$30,000.00
Myers, Earl G.	KENAI	\$20,000.00
Anderson, Donna	KETCHIKAN	\$18,700.00
Anderson, Jeffrey	KETCHIKAN	\$44,000.00
Newman, Alvin, Jr.	KING COVE	\$24,328.00
Groat, Kenneth	KING SALMON	\$30,000.00
Freeman, Robert J.	KODIAK	\$30,000.00
Katelnikoff, Nick	KODIAK	\$30,000.00
Resoff, Michael	KODIAK	\$25,000.00
Shauss, Moses	KONGIGANAK	\$18,000.00
Prince, Thomas E.	KOTLIK	\$16,000.00
Hansen, Olaf	LEVELOCK	\$7,500.00
Apalayak, Pavilla	MANOKOTAK	\$25,000.00
Krause, Earling E.	MANOKOTAK	\$15,000.00
Fitka, Charlie F.	MT. VILLAGE	\$3,206.71
Herrmann, Herbert	NAKNEK	\$30,000.00
Lawrence, Angela	NAKNEK	\$8,000.00
Wassillie, Oscar	NAPAKIAK	\$30,000.00
Johnson, Richard	NELSON LAGN.	\$30,000.00
Andrew, Tim Murphy	NEW STU	\$15,667.61
Pavella, Timmy J.	NEW STU	\$30,000.00
Wik, Harold L.	NIKISKI	\$30,000.00
Wik, Shane	NIKISKI	\$28,803.00
Fefelov, Nikita	NIKOLAEVSK	\$9,000.00
Yakunin, Victor	NIKOLAEVSK	\$30,000.00
Leman, Harry	NINILCHIK	\$30,000.00
Ophiem, Chris, Jr.	OUZINKIE	\$30,000.00
Hall, Daniel R.	PALMER	\$28,000.00
MacDonald, Terry E.	PETERSBURG	\$30,000.00
Nilson, Ole R.	PETERSBURG	\$30,000.00
Griechen, Dennis R.	PILOT POINT	\$30,000.00
Christensen, Raymond	PORT HEIDEN	\$30,000.00
Constantine, Aleck	PORT HEIDEN	\$15,600.00
Lukin, Jefferey	PORT LION	\$18,486.00
Pitka, Nick S.	RUSSIAN MISS	\$8,044.00
Brown, James R.	SAND POINT	\$24,000.00
Calugan, Betty	SAND POINT	\$24,625.00
Calugan, Lawrence	SAND POINT	\$24,625.00
Feller, Thomas C.	SAND POINT	\$30,000.00
Gardner, Jennifer	SAND POINT	\$17,500.00
Gardner, John P.	SAND POINT	\$18,000.00
Gilbert, Marvin	SAND POINT	\$20,000.00
Gilbert, Thekla	SAND POINT	\$20,000.00
Shuravloff, Peter	SAND POINT	\$17,000.00
Mobeck, Benjamin	SAND PT	\$13,000.00
Bower, Charlie	SITKA	\$12,000.00
Riley, John K.	ST. MARY'S	\$25,000.00
Thompson, Ephrim	ST. MARY'S	\$7,271.00
Osborne, Eric V.	UNAKLEET	\$30,000.00
Martinson, Robert A.	WASILLA	\$21,000.00
Maxwell, Mike	WASILLA	\$11,300.00
Mallott, Byron J.	YAKUTAT	\$11,272.64

Fund, the total outstanding loan balances of this loan plus any previous Section B loans cannot exceed \$100,000.

INTEREST RATE

The interest rate will be fixed at the time of loan approval and will be approximately two percent (2%) above the prime rate not to exceed ten and one-half percent (10.5%).

LOAN TERMS

The maximum loan term is 15 years. Terms of all loans will be fixed by the loan committee in consideration of the needs of the borrower, the collateral offered and the ability to repay the loan.

COLLATERAL

Loans must be secured by adequate collateral to protect the investment of the State in the event of default. The loan shall be secured by a first priority lien and may not exceed 90 percent of the appraised value or cost of the collateral (whichever is lower). The specific amount to be loaned shall be determined by the loan committee and additional collateral may be required.

RESIDENCY

For purposes of eligibility under this program, "resident" is an individual who, except for brief intervals, military service, attendance at an educational institution or absence for good cause, has resided in the State continuously for two years.

All parties applying for a loan must establish residency.

FEES

If you are applying for a loan, a nonrefundable \$50 fee must accompany the application.

If your application is approved, an origination fee of half of one percent (0.5%) of the total loan amount will be due at closing.

Photo Courtesy of David J. Nesgoda

Commercial Fishing

Tax Obligation Loan Program



Division of Investments

Alaska
Department of Commerce
and Economic Development

Division of Investments
P.O. Box 34159, Juneau, Alaska 99803
Telephone Number: (907) 465-2510
1 (800) 478-LOAN

Division of Investments
3601 "C" Street, Suite 778
Anchorage, Alaska 99503
Telephone: (907) 562-3779

**DIVISION OF INVESTMENTS
ALASKA DEPARTMENT
OF COMMERCE AND
ECONOMIC DEVELOPMENT**

**TAX OBLIGATION LOAN
POLICIES AND PROCEDURES**

**COMMERCIAL FISHING
REVOLVING LOAN FUND
(AS 16.10.310 - AS 16.10.370)**

LOAN PURPOSE

Loans may be made under Section A or Section B of the Commercial Fishing Revolving Loan Fund to satisfy past due federal tax obligations that may result in the loss of a limited entry permit. An individual must have filed past and current federal tax returns with the federal government and have executed an agreement with the federal government for repayment of past due federal tax obligations. An individual may receive only one loan for this purpose during the individual's lifetime. The Department's authority to make tax obligation loans expires on May 26, 1997.

**ELIGIBILITY FOR
SECTION A LOANS**

Loans may be made to individuals who have been State residents for the two years immediately preceding the date of application and have held a limited entry permit, commercial fishing or crew member license for the year

preceding the date of application and any other two of the past five years. You must have actively participated in the fishery with the intent to make a profit during those periods.

An applicant must establish that for each year claimed, 30 percent of the applicant's total gross income was from commercial fishing, 25 days of the year were spent commercial fishing, or the applicant fished in a particular commercial fishery for 50 percent or more of the days that fishery was open. **Note: If you receive a loan under this section, you will not be eligible to borrow under Section B.**

**LENDING LIMITS FOR
SECTION A LOANS**

The maximum tax obligation loan is \$30,000. If the applicant has any other loans under the Commercial Fishing Revolving Loan Fund, the total outstanding loan balance of this loan plus any previous State commercial fishing loans, excluding Section C loans for quota shares, cannot exceed \$300,000.

**ELIGIBILITY FOR
SECTION B LOANS**

Loans may be made to individuals who have been State residents for a continuous period of two years immediately preceding the date of application, and due to a lack of training or lack of employment opportunities in the area of residence, do not have occupational opportunities available other than commercial fishing or are economically dependent on commercial fishing for a livelihood.

As stated in Alaska Statute 16.10.310(a)(1)(B)(ii) "economically dependent on commercial fishing for a livelihood" means that at least 30 percent of the applicant's total gross income during the previous two years was derived from commercial fishing.

Loans under Section B are intended to be made to individuals who do not have alternative sources of financing available to them.

**LENDING LIMITS FOR
SECTION B LOANS**

The maximum tax obligation loan amount is \$30,000. If the applicant has any other loans under the Commercial Fishing Revolving Loan

State is not liable for any costs incurred by the borrower during the application process.

FEES: If you are applying for a loan, a preauthorization to purchase a vessel or an assumption of an existing loan, a nonrefundable fee of \$50 must be included with the application. If you are applying for a prequalification, a nonrefundable fee of \$200 must be included with the application. If the loan is approved, a half of one percent (0.5%) origination fee will be due at closing.

COLLATERAL: Loans must be secured by adequate collateral to protect the investment of the State in the event of default. The specific amount to be loaned and the amount of collateral required will be determined by the loan committee.

INTEREST RATE: The interest rate will be fixed at the time of loan approval and will be approximately two percent (2%) above the prime rate not to exceed ten and one-half percent (10.5%).

LOAN TERM: The maximum loan term is 15 years. Terms of all loans will be fixed by the loan committee in consideration of the purpose of the loan, the needs of the borrower, the collateral offered and the ability to repay the loan.

ASSUMPTION OF AN EXISTING COMMERCIAL FISHING LOAN

To qualify for a loan assumption, the applicant must meet the 2-year residency requirement. The loan committee may permit an assumption if the applicant is a good financial risk and the security of the State's investment is preserved.

PREQUALIFICATION FOR A LOAN TO PURCHASE A LIMITED ENTRY PERMIT

The application must indicate which permit is being applied for and the dollar amount requested. A prequalification approval will be valid for 60 days after the date of approval. If a prequalification commitment expires, an applicant may apply for another 60 days by paying an additional \$200 and submitting an updated financial statement.

REFINANCING OF VESSEL/GEAR LOANS

Loans may be made to refinance vessel or gear loans made by other lenders more than one year prior to the date of application. Applicants must meet the two-year residency requirement and eligibility under Section A, B or C. Refinancing loan requests will only be considered if the Division determines there are adequate funds to meet loan demand.

PRAUTHORIZATION TO PURCHASE A VESSEL

Preauthorizations will be accepted under Section B only. The application must indicate the fishery and area in which the vessel will be used, and the approximate dollar amount requested. The application fee is \$50 and if approved the preauthorization will be valid for 90 days after approval. This preauthorization establishes the borrower's eligibility only and is not a commitment for a specific dollar amount.

Commercial Fishing Loan Program



Division of Investments

**Alaska
Department of Commerce
and Economic Development**

Division of Investments
P.O. Box 34159, Juneau, Alaska 99803
Telephone Number: (907) 465-2510
1(800) 478-LOAN

Division of Investments
3601 "C" Street, Suite 773
Anchorage, Alaska 99503
Telephone: (907) 562-3779

**LOAN POLICIES AND PROCEDURES
COMMERCIAL FISHING
REVOLVING LOAN FUND
(AS 16.10.310 - AS 16.10.370)**

The Commercial Fishing Revolving Loan Fund consists of three sections (A, B, and C) and provisions for refinancing or assuming an existing loan. Each section has its own particular requirements.

**SECTION A LOANS
(Permits, Vessel Upgrades)**

LOAN PURPOSE: Loans may only be made to finance the purchase of limited entry permits, and to upgrade existing vessels and gear for the purpose of improving the quality of Alaska seafood products. Loan funds may not be used to reimburse an applicant for permits or vessel/gear upgrades which were obtained more than six months before receipt of the application. **Note: If you receive a loan under this section, you will not be eligible to borrow under Section B.**

ELIGIBILITY: Loans may be made to individuals who have been State residents for the two years immediately preceding the date of application and have held a limited entry permit, commercial fishing or crew member license for the year preceding the date of application and any other two of the past five years. You must have actively participated in the fishery with the intent to make a profit during those periods.

An applicant must establish that for each year claimed, 30 percent of the applicant's total gross income was from commercial fishing, 25 days of the year were spent commercial fishing, or the applicant fished in a particular commercial fishery for 50 percent or more of the days that fishery was open.

LENDING LIMITS: The maximum loan amount is \$300,000, less the total of any outstanding loan balances from any previous State commercial fishing loans made under the Commercial Fishing Revolving Loan Fund, excluding Section C loans for quota shares.

**SECTION B LOANS
(Permits, Vessels and Gear)**

LOAN PURPOSE: Loans may be made for the purchase of limited entry permits, vessels or gear, or for the repair, restoration or upgrading of existing vessels and gear. Loan funds may not be used to reimburse an applicant for permits, vessels, gear or vessel/gear upgrading obtained more than six months before receipt of the application.

ELIGIBILITY: Loans may be made to individuals who have been State residents for a continuous period of two years immediately preceding the date of application, and due to a lack of training or lack of employment opportunities in the area of residence, do not have occupational opportunities available other than commercial fishing or are economically dependent on commercial fishing for a livelihood. "Economically dependent" is defined as 30 percent or more of the applicant's income during the past two years was derived from commercial fishing. **Note: Loans under Section B are intended to be made to individuals who do not have alternative sources of financing available to them.**

LENDING LIMITS: The maximum loan amount is \$100,000, less the total of any outstanding loan balances from any previous State commercial fishing loans made under Section B of the Commercial Fishing Revolving Loan Fund. Two or more commercial fishers applying jointly may combine their eligibility on a single loan, up to \$100,000 per individual less the total of any outstanding loan balances from previous Section B loans.

SECTION C LOANS (Quota Shares)

LOAN PURPOSE: Loans may be made for the purchase of quota shares in the sablefish and halibut fisheries and other fisheries in and off Alaska.

ELIGIBILITY: Loans may be made to individuals who have been a State resident for a continuous period of two years immediately preceding the date of application, have held a limited entry permit, commercial fishing or crew member license for any two of the past five years (you must have actively participated in the fishery with the intent to make a profit during those periods), qualify as a transferee for quota shares under applicable law, and are not eligible for financing from other recognized commercial lending institutions to purchase quota shares.

LENDING LIMITS: The maximum loan amount is \$300,000, less the total of any outstanding loan balances from any previous Section C loan.

LOAN CONDITIONS

RESIDENT: A resident is defined as an individual who, except for brief intervals, military service, attendance at an educational institution, or absence for good cause, has been present in Alaska with the intent to remain indefinitely and make a primary and permanent home in the state.

CONSTRUCTION FINANCING: Not available under this program. No loan funds may be disbursed until construction or renovation is 100 percent complete. Applicants should obtain written loan approval prior to obtaining interim financing.

LOAN COSTS: The borrower shall pay all direct costs incurred by the State in processing the application for a loan, including the cost of credit reports, title insurance, appraisals, surveys, inspections, or other direct costs. The