



Tab B, No. 11(b)

Loan Programs

Fisheries Finance Program (FFP)

Traditional Loans

- Provides long term financing for:
 - reconstruction and improvement of fishing vessels,
 - purchase of used fishing vessels,
 - (re)construction, improvement, and purchase of fisheries and aquaculture facilities.
- This authority includes refinancing of existing debt for these purposes.
- http://www.nmfs.noaa.gov/mb/financial_services/ffp.htm
- St. Petersburg contact:
Branch Chief, David Moyer: 727-824-5342



Individual Fishing Quota (IFQ)

- Historically, financing and refinancing of Limited Access Fishing Rights required:
 - Fisheries Management Council (FMC) to submit
 - Secretary to approve a loan program
- Currently there are only two IFQ programs:
 - Northwest Halibut and Sablefish fisheries
 - Bering Sea Aleutian Islands Crab fisheries



IFQ (continued)

- Earlier this year the Coast Guard Reauthorization Act of 2015 (PL 114-120) authorized the FFP to finance and refinance the purchase of harvesting rights in *any fishery that is federally managed under a limited access system*.
- A rule to implement Harvesting Rights lending is in process. OMB has agreed this rule is non significant.



IFQ (continued)

- The rule will require the harvesting rights be specifically identifiable for the government to file a valid security interest.
- The FFP may lend up to 80% of the Depreciated Actual Cost (DAC) of harvesting rights.
 - DAC is the purchase cost of the rights or in the case of refinancing the current market value.



IFQ (Continued)

- Loan authority must be authorized in each fiscal year's budget. The amount available for financing and refinancing harvesting rights may vary from year to year depending on budget authority, and other loan authority.



Loan Applicants

- Must meet general FFP requirements.
- Meet requirements of their FMP.
- Additional guaranties may be required.
- Applicants and guarantors are subject to background and credit checks.
- Application fee: 0.5% of the loan amount requested.
 - 0.25% is non-refundable filing fee
 - 0.25% is commitment fee, which becomes nonrefundable with loan approval



Loan Applicants (continued)

- The Program will finance or refinance up to 80% of the DAC of the project.
- Loan terms may be up to 25 years.
- Interest rates are 2% above the Treasury cost of program borrowing. For example: A loan made on 5/16/17 for a 25 year term would have an interest rate of 5%.

