



Maine Organic Farmers and Gardeners Association

COMMON GROUND COUNTRY FAIR

January 2017

Organic Farmer Loan Fund

The Maine Organic Farmers and Gardeners Association is accepting applications for the Spring 2017 Organic Farmer Loan Fund funding cycle. Loans are intended to help organic farmers and processors working on establishing a credit history for their businesses.

The loan fund will provide loans to small and medium-sized businesses seeking to expand or enhance their farm or processing operations through business planning, marketing, aggregation, or other business enhancement. Funds in this program may also be used for working capital or equipment purchases. Loans from the Organic Farmer Loan Fund are in the range of \$2,000 to \$20,000.

Loans are reviewed by a MOFGA advisory group, which makes the final decision on the loans. Bangor Savings Bank handles the administration of the program, while the loan agreement is guaranteed by MOFGA.

Loans are available to: MOFGA-certified organic farmers; farmers exempt from certification under the NOP rules; farmers transitioning to organic production; and current participants and graduates of MOFGA's Journeyperson Program.

Application Review & Loan Closing – A MOFGA advisory board will review applications. If there are questions after initial review, there may be follow-up inquiries to the applicant or an in-person interview. The advisory board will make final decisions. Bangor Savings Bank will be doing the administrative portion of the program, and your final loan agreement will be guaranteed by MOFGA and held with Bangor Savings Bank. Prior to closing, Bangor Savings Bank will submit a letter of commitment that will detail the closing requirements. In general, all or some of the following documents must be executed: a promissory note for unsecured loans, a security agreement for secured loans and other security instruments. MOFGA, as well as the farmer, is at risk in this program. The advisory committee will be reviewing applications with an eye to the potential success of the applicant.

Reporting – MOFGA reserves the right the right to require annual financial reports. Quarterly cash flow statements may be requested.

Application & Timeline – Applications must be postmarked by March 31, 2017. Funds for approved loans should be available by the last week of April. Please use the checklist on the next page to submit a complete application. If you need help completing a loan application, please contact the MOFGA office at (207) 568-4142, or email loanfund@mofga.org.

* see 7 CFR Part 205 National Organic Program Final Rule Section 205.101 (a)(1)

http://www.mofga.org/mofga/other/usda_regs.html

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MOFGA's Organic Farmer Loan Fund Application Checklist

A complete application will consist of the following:

- Bangor Savings Bank Business Loan Application
- Bangor Savings Bank Customer Identification Policy (CIP) Forms (2) and Questionnaire for Business Entity
- Bangor Savings Bank Personal Financial Statement Form
- A Profit and Loss form
- projected budget for the upcoming production season of sales and categorized expenses for your business including a breakdown of expenses for the entire project being financed, anticipated additional sources of financing and the total project cost
- Trade Reference Sheet. If unavailable, please send three letters of reference.
- Copies of the last two years' federal tax forms.

Applications must be postmarked by Friday, March 31, 2017.

If you need help completing a loan application, please contact the MOFGA office at (207) 568-4142, or email loanfund@mofga.org.

Special thanks to NOFA-Vermont for pioneering the way!