

MARICULTURE LOAN FUND

Loan Purpose

- Loans may be made for the planning, construction, and operation of a mariculture business.

General Requirements

- Loan must be for the planning, construction, and operation of a mariculture business.
- Must have a permitted mariculture farm location in Alaska.
- Must have demonstrated experience or training in the mariculture industry.
- Applicant must submit a comprehensive Business and Marketing Plan. The Plans must describe in detail all aspects of the farm project through full production and to whom, at what price, and how the product will be marketed.
- Alaska resident for 24 consecutive months preceding the date of application.
- Loans may not be made to pay costs that were incurred more than 12 months before receipt of loan application.
- Applicant(s) may not have any child support arrearage.

Terms and Conditions

- Maximum loan amount is \$100,000 per year with a maximum aggregate balance of \$300,000 per borrower.
- A letter of denial from a financial institution, stating the reason(s) for denial, or confirmation that a financial institution is only willing to finance a portion of the project.
- Maximum loan term is 20 years.
- Payments may be deferred for up to the first six years of the loan.
- Interest rate will be fixed at the time of loan approval. Current Rate is 5.0%

Fees

- A \$100 application fee (non-refundable) must accompany all applications.
- A 1% origination fee is due at closing.
- Borrower is responsible to pay all direct costs incurred in processing an application including title reports and title insurance, recording fees, appraisals, travel or other direct costs.

Definitions

- Mariculture: Farming of shellfish and aquatic plants.
- Shellfish: A species of crustacean, mollusk, or other invertebrate, in any stage of its life cycle, that is indigenous to state water or that is authorized to be imported into the state under a permit issued by the Alaska Department of Fish and Game.
- Aquatic plant: A plant indigenous to state water or that is authorized to be imported into the state under a permit issued by the Alaska Department of Fish and Game.

Collateral

- All loans must be adequately secured. The loan amount may not exceed the value of the collateral equity securing the loan. You will be asked to include supporting documentation such as appraisals, invoices, assessment notices, opinions of value or invoices, bids or other documentation to support cost valuations. A percentage (Loan-To-Value ratio) will be applied to determine the collateral value for securing the loan.
- The following are types of collateral generally offered for security. Other types of collateral can be considered on a case-by-case basis.
 - **Real Estate maximum LTV 85%.**
 - **Documented Vessels maximum LTV 75%.**
 - **AK Vessels LTV maximum 65%.**
 - **Quota Share LTV maximum 80%.**
 - **Charter Halibut Permit LTV maximum 50%.**
 - **Farm Equipment/Infrastructure LTV maximum 35%.**
 - **Spat LTV maximum 50% of the purchase price.**
 - **Farm Stock LTV maximum 50%.**
 - **Gear LTV maximum 25%**

Any questions concerning applying for a loan, the terms of a loan, or a general discussion on receiving financing should be directed to a loan officer at the Division of Economic Development. The loan officer will discuss any aspects of the program or prospective financing and provide any requested information a prospective applicant may need.

Contact Information

Division of Economic Development
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and Economic Development
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