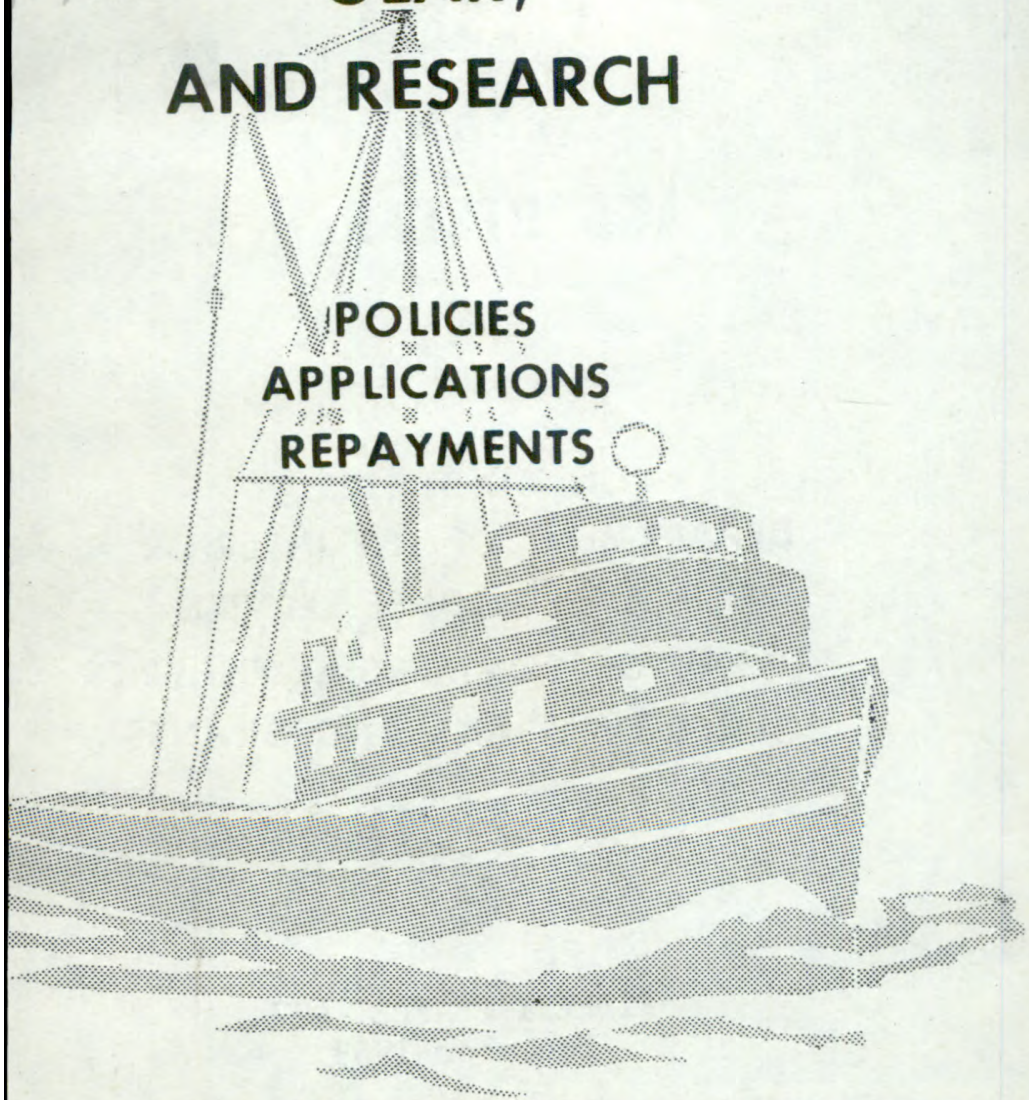


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FISHERIES LOANS FOR VESSELS, GEAR, AND RESEARCH

POLICIES
APPLICATIONS
REPAYMENTS



UNITED STATES DEPARTMENT OF THE INTERIOR
FISH AND WILDLIFE SERVICE
BUREAU OF COMMERCIAL FISHERIES
OFFICE OF LOANS AND GRANTS
WASHINGTON 25, D. C.

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**FISHERY LEAFLET 477
December 1958**

This pamphlet contains information about the Fisheries Loan Program administered by the Secretary of the Interior. Revised regulations pertaining to fisheries loans were published in the Federal Register on August 13, 1958 (23 F. R. 6201), and will be codified as Part 160, Subchapter J, Chapter I of Title 50, Code of Federal Regulations. Copies of these regulations may be obtained from the Office of Loans and Grants, Bureau of Commercial Fisheries, Department of the Interior, Washington 25, D. C.

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LOAN PURPOSES

The Fisheries Loan Fund, established by the Fish and Wildlife Act of 1956, authorizes the Secretary of the Interior to approve loans to owners of fishing vessels and fishing gear, and to persons doing research into the basic problems of the fisheries. It is a revolving fund which must be returned to the United States Treasury on June 30, 1965. If a loan meets the various criteria of the Act and regulations, provides reasonable assurance of repayment, and will assist in upgrading or strengthening the domestic fishing industry, every effort will be made to grant it.

The Fisheries Loan Fund does not compete with banks or other lending agencies. Each applicant must furnish proof that the financial assistance needed is not otherwise available on reasonable terms.

Loans are made

- a. To finance and refinance operations, maintenance, replacement, repairs and equipment of fishing vessels and gear.
- b. To finance research into the basic problems of fisheries. This means investigation or experimentation designed to lead to fundamental improvements in the capture or landing of fish conducted as an integral part of vessel or gear operation.

CREDIT REQUIREMENTS

The following credit requirements must be met before a loan can be granted:

- a. There must be evidence of applicants ability to operate successfully.
- b. The past earning record and future prospects are considered in determining ability to repay the loan out of earnings of the vessel.
- c. The loan must be of sound value and so secured as to reasonably assure repayment.

INELIGIBLE APPLICATIONS

This office is a Government Agency using public funds. Its loans must meet the requirements of the Act and the regulations issued by the Secretary. Certain types of loans cannot be approved.

Loans will not be granted:

1. If the funds are otherwise available on reasonable terms (a) from a financial institution, (b) from the disposal at a fair price of assets not required by the applicant in the conduct of his business or not reasonably necessary to its growth, (c) through use of the personal credit and/or resources of the owner, partners, or principal stockholders of the applicant, or (d) from other known sources of credit.

2. If the financial assistance applied for is to be used for

(a) Any phase of shore operation.

(b) Refinancing existing preferred mortgages or lienable debts except in cases where the Secretary deems such action desirable in carrying out the purposes of the Act. (Unsecured notes or non-lienable debts may not be refinanced).

(c) Purchasing a vessel or an interest in a vessel (except for replacement of a vessel or purchase of the interest of a deceased partner), or replenishing working capital used for such purpose, or paying off a mortgage given for such purpose less than two years before date of receipt of the application.

(d) Replacing a vessel or gear where applicant owned less than 20% interest in the property to be replaced.

(e) Repair of vessels or gear not included in the collateral offered, or

(f) Financing new business ventures involving fishing operations.

LOAN TERMS

Loans are repayable in installments. Maximum maturity is 10 years. The interest rate of 5% per annum is charged on the actual amount outstanding.

All or part of a loan may be repaid without penalty before it is due.

COLLATERAL

Loans must be of such sound value as to reasonably assure repayment. Collateral may consist of a vessel mortgage, mortgages on other property, and such guaranties as the Secretary may require.

LOAN APPLICATIONS

Application forms, with instructions explaining how they should be completed, may be obtained from field offices listed at the end of this leaflet. Each set contains four copies. One copy should be retained by the applicant and three copies sent to nearest field office.

PROCESSING APPLICATIONS

1. On receipt of a bonafide application the field representative of the Office of Loans and Grants will inspect the vessel and prepare a fishery investigation report for the Washington Office.

2. The Small Business Administration field office serving the area will conduct a financial investigation and prepare a financial report to be forwarded to the Office of Loans and Grants Washington, D. C. through their Washington Office. In the case of smaller loans, this investigation may be made by the field representative who makes the fishery investigation.

3. The Office of Loan and Grants will analyze the information contained in the application, the fishery investigation report, and the financial report and then prepare the necessary documents.

4. The entire case file is then considered by officials of the Department and a decision rendered.

COMPENSATION FOR SERVICES

The Government makes no charge for information and assistance in the preparation and filing of a loan application.

Subject to approval, a loan applicant may pay reasonable costs incurred for services rendered by attorneys, appraisers, and accountants in connection with the preparation of the loan application or the closing of the loan. Applicants must not pay or agree to pay a fee or commission contingent upon approval of a loan. It is not necessary to retain an attorney or accountant to file an application.

LOAN CLOSING

When a loan application is approved by the Department of the Interior, a Loan Authorization is sent to the Small Business Administration. It states the conditions which the Borrower must meet before the loan funds will be disbursed. The small Business Administration will send a copy of the Loan Authorization to the borrower with instructions on how to proceed. When the borrower notifies the

Small Business Administration that he is prepared to meet these conditions, the Small Business Administration arranges a date, time and place for closing the loan.

Prompt closing of a loan, after the Loan Authorization has been issued, depends largely upon the borrower and the time he requires to comply with the terms and conditions of the Authorization.

REPAYMENT OF LOAN

The Loan Authorization issued by the Department of the Interior will show the number of years the loan is approved for and the amounts and frequency of installment payments required. These payments must be made to the United States of America through the Small Business Administration which acts as agent for the Department of the Interior in this and other matters connected with the administration of the Fisheries Loan Fund.

Field Offices
Of the
Office of Loans and Grants
Bureau of Commercial Fisheries

	Telephone Number
U. S. Bureau of Commercial Fisheries 61 Sumner Street East Boston 28, Massachusetts	LOgan 7-6880
U. S. Bureau of Commercial Fisheries P. O. Box 6245 St. Petersburg Beach, Florida	23-2821
U. S. Bureau of Commercial Fisheries 101 Seaside Avenue Terminal Island, California	TErminAl 3-4457
U. S. Bureau of Commercial Fisheries 6116 Arcade Building Seattle 1, Washington	MUtual 2-3300
U. S. Bureau of Commercial Fisheries P. O. Box 2021 Juneau, Alaska	6-3511
U. S. Bureau of Commercial Fisheries 2570 Dole Street Honolulu, Hawaii	9-1181

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