



**Written Testimony by William Norbert
Governmental Affairs and Communications Manager**

In Support of L.D. 219 as Amended

An Act to Enhance the Agricultural Marketing Loan Fund by Establishing a Variable Interest Rate for Loans and to Allow Participants in the Maine Farms for the Future Program to Borrow at That Rate

January 25, 2022

Joint Standing Committee on Agriculture, Conservation, and Forestry

Senator Dill, Representative O'Neil, and Distinguished Members of the Joint Standing Committee on Agriculture, Conservation, and Forestry:

My name is Bill Norbert. I am the Governmental Affairs and Communications Manager at the Finance Authority of Maine (FAME). I live in Brunswick and submit this testimony in support of the amended version of L.D. 219, *An Act to Enhance the Agricultural Marketing Loan Fund by Establishing a Variable Interest Rate for Loans and to Allow Participants in the Maine Farms for the Future Program to Borrow at That Rate*.

The Agricultural Marketing Loan Fund currently provides 5 percent fixed-rate loans to natural resource-based businesses that employ new and innovative technologies and processes in order to improve, expand, and enhance the manufacturing, marketability, and production of Maine-made agricultural products. Funds may be used for the design, construction or improvement of facilities such as commodity storage buildings and packing and marketing facilities. Funds may also be used to purchase or retrofit machinery and equipment. FAME partners with the Department to administer the funds and provide loan underwriting and documentation.

This bill as amended would, among other things, expand the permissible uses of program funds and set the interest rate for loans under the program at the federal prime rate, but no greater than 5%. Also, loans current on the effective date of the legislation may be refinanced at the borrower's request to an interest rate of the federal prime rate, but not greater than 5%. Additionally, loan amounts would be increased from \$100,000 to \$200,000 and could now cover up to 90% (instead of 75%) of a project's cost. We support the Department's efforts to make the program more attractive and helpful to borrowers. Thank you for your consideration of my testimony and I would be happy to answer any questions.