



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

Neither For Nor Against L.D. 1733

An Act to Provide Reduced Interest Rates for Logging and Fishing Operations

May 12, 2025

Joint Standing Committee on Housing and Economic Development

Senator Curry, Representative Gere, and Distinguished Members of the Joint Standing Committee on Housing and Economic Development:

My name is Bill Norbert. I am the Governmental Affairs and Communications Manager at the Finance Authority of Maine (FAME). I am presenting this testimony Neither For Nor Against L.D. 1733, *An Act to Provide Reduced Interest Rates for Logging and Fishing Operations*.

FAME's mission is to enrich business and educational outcomes through relevant, timely financial support to Maine's people. Our vision is a Maine where all people have access to improved economic outcomes through business growth and education attainment

This bill would establish within FAME the Improvements to Logging and Fishing Enterprises Loan Program to increase the availability of capital by financing loans to logging and fishing enterprises in the state. The interest rate for loans made under the program may not exceed 2%. Applicants would need to demonstrate a commitment of private funds of at least 5% of the total cost of the project.

At the outset, I wish to remind the committee that FAME can and does already provide financing to Maine's loggers and fishermen. We do so primarily through our commercial loan insurance and direct loan programs. These programs are offered at higher rates than this bill proposes, however (FAME Direct Loan offered at Prime plus 2%, which today would be 9.50%; FAME Commercial Loan Insurance rate set by participating lenders but can range from 6.5%-9% or higher).

FAME could administer this new program should the Governor and Legislature approve it and provide us with sufficient funding. We have some recommendations for improving the bill, however:

- The source of funding for the program is unclear. The fund section of the bill (Line 22, page one of the bill) references bonds, but there is no appropriations section in the bill. We would recommend amending this section and providing broader language to support various sources of funding, whether it be through general obligation bonds, state appropriations, or private and other sources (e.g. “The authority may receive, invest and expend on behalf of the fund money from gifts, grants, bequests, loans and donations in addition to money appropriated or allocated by the State.”). How much funding is up to you, but to help you think about it: the bill contemplates loans in excess of \$200,000 each. Equipment for these respective professions can be expensive, so sufficient funding should be provided. Five loans of \$200,000 (plus FAME’s modest administrative costs) would thus require more than \$1 million in funding.
- We recommend striking reference to the word “insurance” in Line 36, page one and instead using the word loan only.
- We would also appreciate amending the report section of the bill (Line 19, page two) to not require an additional separate annual report on the part of FAME. Rather, we respectfully suggest that these details be made part of FAME’s annual report to this committee (“the authority shall include information on the program as part of its overall annual report to the Legislature pursuant to 10 MRSA Section 974.”).
- Also, we respectfully request that our “reasonable administrative costs” be allowed to be deducted from the fund and not 1% as proposed in the bill (Line 17, page two).

Thank you for your consideration of my comments and I would be happy to answer any questions you may have.