

# Financial Assistance Contacts for Lobster Industry

*This handout is intended for Lobster License Holders only*

If you, as a borrower, are in financial trouble...  
**CALL YOUR LOCAL LENDER FIRST!!!!**

If a borrower is in trouble and is proactively trying to work through this situation, a lender is going to be more receptive to participating in lending additional short-term dollars (a restructuring on their existing loan).

This situation may involve some intensive business counseling for some people.

Banks are going to be most inclined to help borrowers who have been in good standing and are feeling the pinch of the current situation.

Here are some short term things an individual fisherman can do to help make it through this.

- **TALK TO YOUR LENDER.** Do everything you can to keep your loan current with your lender. If any Small Business Administration (SBA) low interest money is made available, it will be available for borrowers who are in good standing with their current lender (must be current within 29 days).
- Consider engaging in free Business Counseling through the Maine Small Business Development Center ([www.mainesbdc.org](http://www.mainesbdc.org)). It will be important to develop cash flow projections that represent current fuel, bait costs and low boat prices.
- The Finance Authority of Maine (FAME) has approved allowing 40% insurance on existing debt. This may allow your bank to modify its current agreement with the borrower. But again borrowers must be within good standing with their current lender (current within 45 days).
- SBA and/or FAME money cannot be used for a home mortgage or other personal bills. The money is intended strictly to support the business.

Here are some short term things that a lender can potentially do with an existing borrower to make some adjustments to their debt.

- If a borrower is paying interest only for 6 months of the year and principal plus interest for 6 months of the year...The lender may consider allowing the borrower to switch to 7 months interest only and 5 months principal plus interest.
- Defer payment (forbearance) for 2-3 months. It's easier for a lender to defer payment for a couple of months than to foreclose on a loan or make a new loan.
- Seek a short term note (to provide short-term working capital).
- Extend the loan maturity date (in years) to bring the monthly principal down.
- Make the first payment (on the new loan) due in 60 days rather than 30 days.

**Disclaimer: This is to be used as a general guideline only. An individual's options are reviewed on a case-by-case basis and are at the discretion of lending institutions and financial assistance programs.**

**Loan Insurance Program – Indirect to Lobster License Holders through financial institutions**

The Loan Insurance Program insures a portion of a loan made by a bank. The program is designed to help businesses in Maine access commercial credit, and is available for any prudent business activity (some restrictions apply).

Up to 40% of a lender's existing loan on a pro-rata basis (some restrictions apply).

**Economic Recovery Loan Program – Direct to Lobster License Holders**

This program provides subordinate (gap) financing to assist businesses in their efforts to remain viable and/or improve productivity.

Maine-based businesses that exhibit a reasonable ability to repay the loan and demonstrate that other sources of capital have been exhausted.

**Lobstermen Groundline Replacement Loans**

This program provides subordinate (gap) financing to assist lobstermen/businesses that have been directly impacted by the National Marine Fisheries Service's regulation that goes into effect on April 5, 2009, which requires the lobstermen to replace all floating groundlines with sinking groundlines outside of the exemption line.

***Eastern Maine Development Corporation (EMDC) 1-800-339-6389***[www.emdc.org](http://www.emdc.org)

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Loan funds available to assist small businesses. EMDC's lending programs are designed to assist small businesses with a source of funds not available to them from conventional sources. Loan funds can be used for fixed-assets (excluding boats), machinery and equipment, gear, working capital, retrofitting, etc. Loans in excess of \$25,000 would need to have the participation of a primary lender, normally a bank or credit union. Generally, EMDC does not refinance existing debt. However, they would look at this on a case-by-case basis.

***Maine Small Business Development Centers (SBDC) 780-4420***[www.mainesbdc.org](http://www.mainesbdc.org)

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Free one-on-one confidential General Business Counseling; Business Planning; Cash Flow Projections

***US Small Business Administration (SBA)******622-8551***[www.sba.gov/me](http://www.sba.gov/me)

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Similar to FAME, except SBA is a Federal Program. Federal Loan Assistance Program that backs any eligible business loan made by a participating SBA lender.

***Coastal Enterprises, Inc. (CEI)******1-877-340-2649***[www.ceimaine.org](http://www.ceimaine.org)

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CEI offers loan dollars, business counseling services and assistance with cash flow projections. (CEI is a host agency for some of the staff with the SBDC program). 882-7552

CEI is also currently delivering the Working Waterfront Access Pilot Program on behalf of the Department of Marine Resources to secure significant commercial working waterfront properties along the Maine coast. 772-5356

***Department of Economic and  
Community Development (DECD)******624-9804***[www.mainebiz.org](http://www.mainebiz.org)

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Maine's Office of Business Development (OBD) provides comprehensive financial, management, production, marketing, and other technical assistance to help Maine businesses prosper. OBD administers programs for business attraction, expansion, and retention to help build strong communities. OBD also helps to facilitate the resources, technical assistance, and financial tools necessary to encourage new investment and create quality jobs for Maine workers.

Currently, OBD has eight (8) business development experts strategically located throughout Maine's regional economic development districts. These specialists make sure hundreds of companies and economic development organizations take advantage of Maine's valuable business resources. The primary goal is to make it simple and easy to do business in Maine. To find out which Business Development Specialist serves your area, please go to [http://www.mainebiz.org/business\\_assistance/find\\_specialist.asp](http://www.mainebiz.org/business_assistance/find_specialist.asp).

## Maine State Assistance Programs

### **Low-Income Home Energy Assistance Program (LIHEAP) (Maine State Housing Authority)**

- LIHEAP provides money to help low-income homeowners and renters pay for heating costs.
- The amount of assistance from LIHEAP is based on household size and income, energy costs, and other factors.
- LIHEAP and related assistance generally is available to low income households with incomes up to 170% of federal poverty guidelines. Additional eligibility criteria also may be applied.
- People eligible for LIHEAP are also likely to be eligible for the **Low Income Assistance Plan (LIAP)** which helps low-income homeowners and renters pay for electricity costs by providing a credit on their electric bills.
- To learn more and determine if you may be eligible, please contact the Community Action Program Agency for your area (listed on page 4).

### **Food Supplement Program (formerly Food Stamps) (Department of Health and Human Services) also known as the Supplemental Nutrition Assistance Program (SNAP)**

- The Food Supplement Program (FSP) helps low income households buy the food they need for good health.
- The amount of FSP benefits is based on the U.S. Department of Agriculture's Thrifty Food Plan, which is an estimate of how much it costs to buy food to prepare nutritious, low-cost meals for your household.
- Under FSP rules, resources--such as bank accounts, cash, real estate, personal property, some vehicles, and so forth--are considered in determining whether a household is eligible to get assistance. Some resources are counted toward the allowable limit and some are not. The Eligibility worker will explain which are counted.
- For more information or to apply, contact your local DHHS office (listed on page 5) or call 1-800-442-6003 and ask for the Program Manager for the Food Supplement Program.

### **MaineCare (Department of Health and Human Services)**

- MaineCare (formerly Medicaid) is a Federal/State program, which helps eligible Maine residents with their health care payments.
- In order to qualify for this benefit program, you must be a resident of the state of Maine, a US national, citizen, permanent resident, or legal alien, in need of health care/insurance assistance, whose financial situation would be characterized as low income or very low income. Eligible individuals include:
  - Children and teens age 18 and under, and pregnant women with gross monthly family income at or below a certain amount. Assets are not counted.
  - Parents living with their children and teens age 18 and under with monthly family income at or below a certain amount, and with certain assets of \$2,000 or less.
- For more information or to apply, contact your local DHHS office (listed on page 5).

### **Temporary Assistance for Needy Families (TANF) (Department of Health and Human Services)**

- TANF is a cash assistance program for families with dependent children who are deprived of the care and support of a parent based on absence, disability, death or under-employment.
- There are income (income limit for a household of 4 is \$1,286/mo gross) and asset requirements, as well as work participation requirements.
- For more information or to apply, contact your local DHHS office (listed on page 5).

**For LIHEAP information, contact your local Community Action Program Agency:**

Community Action Program Agency	Area Covered	Location	Telephone
<a href="#">MaineHousing</a> 	Brunswick, Freeport, Harpswell, Pownal, Lincoln County and Sagadahoc County	Augusta	207-626-4600 800-452-4668
<a href="#">Aroostook County Action Program</a> 	Aroostook County	Presque Isle	207-764-3721 800-585-3053
<a href="#">Community Concepts, Inc.</a> 	Androscoggin, Oxford Counties	South Paris	207-743-7716
<a href="#">Kennebec Valley Community Action Program</a> 	Kennebec, Somerset Counties	Waterville	207-859-1500 800-542-8227
<a href="#">Penguin Community Action Program</a> 	Penobscot, Piscataquis Counties	Bangor	207-973-3500 800-215-4942
<a href="#">Penguin Community Action Program</a> 	Knox County	Rockland	207-596-0361 800-585-1605
<a href="#">Peoples Regional Opportunity Program</a> 	Cumberland County, except for Brunswick, Freeport, Harpswell and Pownal	Portland	207-874-1140 800-698-4959
<a href="#">Waldo Community Action Partners</a> 	Waldo County	Belfast	207-338-6809 800-498-3025
<a href="#">Washington-Hancock Community Agency</a> 	Washington, Hancock Counties	Milbridge	207-546-7544 800-828-7544
<a href="#">Western Maine Community Action</a> 	Franklin County	East Wilton	207-645-3764 800-645-9363
<a href="#">York County Community Action Corp.</a> 	York County	Sanford	207-324-5762 800-965-5762

**For information about DHHS Programs (Food Supplement Program, MaineCare, TANF)**

<a href="#"><u>Augusta Regional Office</u></a>	35 Anthony Avenue 11 SHS Augusta, Maine 04333	(207)624-8090 1-800-452-1926 TDD/TTY: 1-800-606-0215
<a href="#"><u>Bangor Regional Office</u></a>	396 Griffin Road Bangor, Maine 04401	(207)561-4100 1-800-432-7825 TDD/TTY: 1-800-606-0215
<a href="#"><u>Biddeford District Office</u></a>	208 Graham Street Biddeford, Maine 04005	(207)286-2400 1-800-322-1919 TDD/TTY: 1-800-606-0215
<a href="#"><u>Calais District Office</u></a>	392 South Street Calais, Maine 04619	(207)454-9000 1-800-622-1400 TDD: 1-800-606-0215
<a href="#"><u>Caribou District Office</u></a>	30 Skyway Drive Unit 100 Caribou, Maine 04736	(207)493-4000 1-800-432-7366 TDD/TTY: 1-800-606-0215
<a href="#"><u>Ellsworth District Office</u></a>	17 Eastward Lane Ellsworth, Maine 04605	(207)667-1656 1-800-432-7823 TDD/TTY: 1-800-606-0215
<a href="#"><u>Farmington District Office</u></a>	114 Corn Shop Lane Farmington, Maine 04938	(207)778-8400 1-800-442-6382 TDD/TTY: 1-800-606-0215
<a href="#"><u>Fort Kent District Office</u></a>	137 Market Street Fort Kent, Maine 04743-1447	(207)834-7700 1-800-432-7340 TDD/TTY: 1-800-606-0215
<a href="#"><u>Houlton Regional Office</u></a>	11 High Street Houlton, Maine 04730	(207)532-5000 1-800-432-7338 TDD/TTY: 1-800-606-0215
<a href="#"><u>Lewiston Regional Office</u></a>	200 Main Street Lewiston, Maine 04240	(207)795-4300 1-800-482-7517 TDD/TTY: 1-800-606-0215
<a href="#"><u>Machias District Office</u></a>	13 Prescott Drive Machias, Maine 04654	(207)255-2000 1-800-432-7846 TDD/TTY: 1-800-606-0215
<a href="#"><u>Portland Regional Office</u></a>	161 Marginal Way Portland, Maine 04101	(207)822-2000 1-800-482-7520 TDD/TTY: 1-888-720-1925
<a href="#"><u>Rockland District Office</u></a>	91 Camden Street Suite 103 Rockland, Maine 04841	(207)596-4217 1-800-432-7802 TDD/TTY: 1-800-606-0215
<a href="#"><u>Sanford District Office</u></a>	890 Main Street Suite 208 Sanford, Maine 04073	(207)490-5400 1-800-482-0790 TDD/TTY: 1-800-606-0215
<a href="#"><u>Skowhegan District Office</u></a>	98 North Avenue Suite 10 Skowhegan, Maine 04976	(207)474-4800 1-800-452-4602 TDD/TTY: 1-800-606-0215
<a href="#"><u>South Paris Regional Office</u></a>	243 Main Street Suite #6 South Paris, Maine 04281	(207)744-1200 1-888-593-9775 TDD/TTY: 1-800-606-0215