

State of Maine
Rural Rehabilitation Trust Fund
Maine Beef Cattle Breeding Stock Loan Program

PURPOSE

To purchase beef heifers and/or cows for breeding purposes. The resulting calves sold as feeders within one year of age.

ELIGIBLE APPLICANTS

Residents of Maine who produce beef. Applicants must be able to show proof of denial of commercial credit at a reasonable rate for the purpose of purchasing cattle as stated above *from one commercial creditor*.

RATES AND TERMS

Interest rate: 5%

Terms: loans up to 24 months

Closing costs: Flat rate of \$50.00 per loan

SECURITY

Collateral in the form of the cattle purchased shall be required, as well as piece of farm machinery or equipment equal to the loan. Borrower must remit a copy of the bill of lading, contract or letter of commitment for any and all purchases made with this loan.

EQUITY

May loan up to 90% of purchase price.

ADMINISTRATION

The Department of Agriculture, Conservation and Forestry will administer this loan program.

SPECIAL REQUIREMENTS

Submission of a detailed business plan including: projected expenses, income expected, type of operation, marketing plan, how products are sold, promotional and advertising budgets, etc. THIS IS MANDATORY.

Submission of invoice from the cattle vendor is required in order to release payment to the borrower. A promissory note will be given.

Proof of livestock insurance.

Two letters of reference from knowledgeable industry representatives who can attest to the borrower's knowledge, skills and ability pertaining to beef production.

LOAN MAXIMUM / MINIMUM

No minimum.

Maximum of \$50,000. per loan, not to exceed 90% of total purchase price.