

Division of Economic Development
Department of Commerce, Community, and Economic Development
Community Quota Entity (CQE) Loan Application

Commercial Fishing Revolving Loan Fund

AS 16.10.300 – AS 16.10.370 3AAC 80.010 – 3 AAC 80.900

PROGRAM GOAL

To provide long-term, low interest loans to promote the development of predominantly resident fisheries, and continued maintenance of commercial fishing vessels and gear for the purpose of improving the quality of Alaska seafood products.

LOAN OFFICES

Division of Economic Development
Department of Commerce, Community,
and Economic Development
P.O. Box 34159
Juneau, AK 99803-4159

Division of Economic Development
Department of Commerce, Community,
and Economic Development
550 W. 7th Ave. Suite 1770
Anchorage, AK 99501-3569

Telephone: (907) 465-2510
(800) 478-LOAN (5626)
TDD: (907) 465-5437
Fax: (907) 465-2103

Telephone: (907) 269-8150
Fax: (907) 269-8147

e-mail: financing@alaska.gov

The Division of Economic Development, Department of Commerce, Community, and Economic Development complies with Title II of the Americans with Disabilities Act of 1990. This publication is available in alternative communication formats upon request. Please contact the Division of Economic Development at (907) 465-2510 or TDD (907) 465-5437 to make any necessary arrangements.

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General Requirements

- Community Quota Entity (CQE) is certified by National Marine Fisheries Service (NMFS) and is eligible to hold Quota Shares.
- CQE is in good standing with the State and Federal Government.
- CQE is not eligible for financing from other recognized commercial lending institutions.

Program Requirements

- **Purchases** – Loans are available to CQEs for the purchase of Quota Shares and reimbursement of Quota Share purchases less than 12 months from the date the application is received.
- **Collateral** – The item being financed will be held as the collateral for the loan, and generally, a priority lien must be obtained. The maximum loan amount for a loan secured by Quota Shares is 80% of the purchase price. Other types of collateral may also be offered to reduce the down payment requirement.

Terms and Conditions

- Interest rate is 2% above the Prime Rate, not to exceed 10.5%.
- Interest rate will be fixed at the time of loan approval
- Maximum loan term is 15 years.
- Maximum loan is \$2 million for each eligible community. The total outstanding balances on all loans made to a community under Section E of the Commercial Fishing Loan Program is \$2 million.
- Borrower is responsible for all direct costs incurred in processing an application including surveys, inspections, appraisals, title insurance, etc.

Fees

- **\$100.00 Loan Application Fee.** If you have located the shares you wish to purchase.
- **\$200.00 Pre-qualification Application Fee.** If you have not located Quota Shares to purchase, but wish to obtain conditional approval by submitting a Pre-qualification Application. The following are some advantages of pre-qualification:
 - You know your loan limit
 - Seller is assured of a qualified buyer
 - Faster loan processing after finding the quota shares
 - Pre-qualification approval is valid for 60 days
- **1% Origination Fee.** If your application is approved an origination fee of 1% of the loan amount will be deducted from your loan proceeds at closing.

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Purchase of CQE Quota Shares

Loan **Amount** Requested \$: _____

Loan **Term** Requested: _____ (years)

Loan Application Requirements:

The following information is required to process your application. Incomplete applications will not be processed. Please retain copies for your records.

- Loan Application – Pages 1 through 13
- Fees: \$100 loan application fee or \$200.00 pre-qualification application fee
- Letter of denial from recognized quota share lender
- Copy of community letter of support from NMFS application
- Corporate Resolution
- Copy of By-Laws and Articles of Incorporation
- Federal Tax Returns
Past 3 years - Include complete, signed copies of Federal Tax Returns.
(Including all schedules)
- Verification of availability of down payment
- Copy of Transfer Eligibility Certificate
- Copy of purchase agreement and down payment receipt including:
Serial numbers of shares (copy of certificate);
Seller's name, address, social security number, and date of birth; and
Signatures of both seller and purchaser
(This requirement does not apply to pre-qualification applications)
- Pre-qualification loan:

_____ / _____ / _____ / _____
Fishery # of Units Area Vessel Size
- Additional information: Provide explanations or copies of supporting documentation that may help clarify your application

Additional Collateral

- If you are offering additional collateral, you will need to provide the following:
- Quota Shares Verification of quota shares owned
 - Real Estate Copy of tax assessment or other proof of value
 - Other Description of other collateral

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FINANCIAL STATEMENT

As of _____
 (Date)

ASSETS	TOTAL VALUE	LIABILITIES	BALANCE OWING	MONTHLY PAYMENT
Cash on Hand		Credit Card		
Cash in Banks (Schedule 1)		Credit Card		
Securities (Schedule 2)		Employer Taxes Payable		
Due from Processor		Owing to Processor		
Notes and Accounts Receivable (Schedule 3)		Notes Payable (Schedule 7)		
Real Estate Owned (Schedule 4)		Real Estate Mortgages (Schedule 4)		
Vessels Owned (Schedule 5)		Vessel Mortgages (Schedule 5)		
Quota Shares Owned (Schedule 6)		Loans on Quota Shares (Schedule 6)		
Vehicles/Airplanes/RVs/ Equipment		Vehicles/Airplanes/RVs/ Equipment		
Other:		Other:		
TOTAL ASSETS	\$	TOTAL LIABILITIES	\$	
TOTAL MONTHLY PAYMENTS				\$

<p style="text-align: center;">TOTAL Net Worth Net Worth = Total Assets Less Total Liabilities</p>	<p style="font-size: 2em; font-weight: bold;">\$</p>
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Schedules for Financial Statement

SCHEDULE NO. 1: CASH ACCOUNTS

Bank/Branch	Mailing Address	Account #	Current Balance
1.			
2.			
3.			
4.			
Cash in Accounts:			\$

SCHEDULE NO. 2: SECURITIES

Number of Shares	Description	Income Received Last Year	Cost	Market Value
1.				
2.				
3.				
4.				
Total Securities:				\$

SCHEDULE NO. 3: NOTES & ACCOUNTS RECEIVABLE

Description	Name of Debtor	Amount Past Due	Monthly Payment	Original Balance	Balance Outstanding
1.					
2.					
Notes Receivable:					\$

SCHEDULE NO. 4: REAL ESTATE OWNED/MORTGAGES

Description	City	State	Year Acquired	Cost	Current Assessed Value
1.					
2.					
3.					
4.					
Real Estate Owned:					\$
Lender	Payment Amount	Payment Due Date	Original Balance	Balance Owing	
1.					
2.					
3.					
4.					
Real Estate Mortgages:					\$

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SCHEDULE NO. 5: VESSELS OWNED/MORTGAGES

Description	Year Acquired	Cost	Current Assessed Value	
1.				
2.				
3.				
4.				
Vessels Owned:			\$	
Lender	Payment Amount	Payment Due Date	Original Balance	Balance Owing
1.				
2.				
3.				
4.				
Vessel Mortgages:				\$

SCHEDULE NO. 6: QUOTA SHARES

Description	Year Acquired	Cost	Current Assessed Value	
1.				
2.				
3.				
4.				
Quota Shares Owned:			\$	
Lender	Payment Amount	Payment Due Date	Original Balance	Balance Owing
1.				
2.				
3.				
4.				
Loans on Quota Shares:				\$

SCHEDULE NO. 7: NOTES PAYABLE

Description	Collateral			
1.				
2.				
3.				
	Date Incurred	Next Payment Date	Monthly Payment	Balance Owing
	1.			
	2.			
	3.			
Notes Payable:				\$

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Current Year Profit and Loss Statement

Include all income and expenses for the 12 month period prior to application

For the Period _____, 20__ to _____, 20__

Income		Expenses	
Gross Sales		Crew Shares	
Halibut/Sablefish		Vessel Payment, Lease or Rent	
Other Fisheries		Quota Shares Payment	
1.		Vessel Insurance	
2.		Fuel/Groceries/Bait/Ice	
3.		Gear/Equipment Purchase	
Other		Vessel/Gear Repair	
1.		Other	
2.			
Fishing Income Total	\$	Fishing Expenses Total	\$

Non-Fishing Income		Other Expenses	
Gross Receipts		Salaries	
		Employee Expenses	
		Taxes	
		Utilities	
		Mortgage or Rent	
		Other	
Additional Income Total	\$	Living Expenses Total	\$

Total Income	\$	Total Expenses	\$
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You may be requested to provide documentation of your income, e.g.

- Fish Tickets
- Processor Statement
- Affidavit from your skipper(s) for shares or agreement(s)

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Projected Profit and Loss Statement

Estimate all income and expenses for the 12 month period after receiving loan

For the Period _____, 20__ **to** _____, 20__

Income		Expenses	
Gross Sales:		Crew Shares	
Halibut/Sablefish		Vessel Payment, Lease or Rent	
Other Fisheries		Quota Shares Payment	
		Vessel Insurance	
		Fuel/Groceries/Bait/Ice	
		Gear/Equipment Purchase	
Other:		Vessel/Gear Repair	
		Other	
Fishing Income Total	\$	Fishing Expenses Total	\$

Non-Fishing Income		Other Expenses	
Gross Receipts:		Salaries	
		Employee Expenses	
		Taxes	
		Utilities	
		Mortgage or Rent	
		Other	
Additional Income Total	\$	Living Expenses Total	\$

Total Income	\$	Total Expenses	\$
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Describe your gross sales estimates:

Type of Fishery	Season (Year)	# of Days Fished	Pound/Tons	Unit Price	Value

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AUTHORIZATION TO OBTAIN CREDIT AND/OR RELEASE INFORMATION

I authorize the Division of Economic Development to obtain information from, or release any information contained in my loan application and attachments to the following agencies:

U.S. National Marine Fisheries Service

I further authorize any individual or institution to release credit information concerning me to the Division of Economic Development. This authorization is given to enable the Division of Economic Development to evaluate my loan request. Verification may be obtained from any source named in this application and from any credit-reporting agency. I understand additional information may be requested as part of the quality control program at any time during the lending process.

It is understood that a photocopy of this form will serve as authorization.

Name of Corporation (Please Print):

Tax ID Number or EIN:

Authorized Signature and Title:

Date:

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Loan Applicants

To verify that no federal tax liens are attached to the collateral you are offering to secure this loan, the Division of Economic Development must obtain confidential tax information from the Internal Revenue Service (IRS). Please complete and sign the following release form.

Authorization to Request Federal Tax Information

I/We hereby authorize Division of Economic Development, Department of Commerce, Community and Economic Development, to obtain return information from the Internal Revenue Service concerning my/our federal income tax returns for the tax years 2002 through 2012. The following information may be released by the Internal Revenue Service to a Loan/Collection Officer with the Division of Economic Development, Department of Commerce, Community and Economic Development:

- Whether I am/we are currently in compliance with federal individual income tax filing requirements
- Whether I/we have failed to file individual income tax returns for which returns are currently due
- Whether Notices of Federal Tax Lien have been filed against me/us in any recording district
- Whether I/we currently have a formal payment arrangement for any amounts owed to the Internal Revenue Service
- The amount of any currently outstanding balance due, whether or not secured by any recorded Notice of Federal Tax Lien

Name of Corporation	Tax ID or EIN
Authorized Name (please print)	Title
Current Address	Telephone Number

Signature

Date

Signature

Date

NOTE: THIS SIGNED FORM MUST BE RECEIVED BY THE INTERNAL REVENUE SERVICE WITHIN 60 DAYS OF THE DATE OF THE SIGNATURE(S). FOR INFORMATION ON FEDERAL TAXES NOT OTHERWISE COVERED BY THIS WAIVER, SEPARATE WRITTEN CONSENT FROM THE TAXPAYER(S) IS REQUIRED BEFORE THE INTERNAL REVENUE SERVICE CAN DISCLOSE TO THIRD PARTIES.

<i>IRS Use only:</i>	
Date Received	Acknowledged By
	_____ Title

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Sellers

To verify that no federal tax liens are attached to the asset you are selling, the Division of Economic Development must obtain confidential tax information from the Internal Revenue Service (IRS). Please complete and sign the following release form.

Authorization to Request Federal Tax Information

I/We hereby authorize Division of Economic Development, Department of Commerce, Community, and Economic Development, to obtain return information from the Internal Revenue Service concerning my/our federal income tax returns for the tax years 2002 through 2012. The following information may be released by the Internal Revenue Service to a Loan/Collection Officer with the Division of Economic Development, Department of Commerce, Community, and Economic Development:

- Whether Notices of Federal Tax Lien have been filed against me/us in any recording district
- Whether I/we have a formal payment arrangement for any amounts owed to the Internal Revenue Service
- The amount of any currently outstanding balance due, whether or not secured by any recorded Notice of Federal Tax Lien

Seller/Taxpayer's Name	Social Security Number
Co-Seller/Taxpayer's Name	Social Security Number
Current Address	Telephone Number

Signature

Date

Signature

Date

NOTE: THIS SIGNED FORM MUST BE RECEIVED BY THE INTERNAL REVENUE SERVICE WITHIN 60 DAYS OF THE DATE OF THE SIGNATURE(S). FOR INFORMATION ON FEDERAL TAXES NOT OTHERWISE COVERED BY THIS WAIVER, SEPARATE WRITTEN CONSENT FROM THE TAXPAYER(S) IS REQUIRED BEFORE THE INTERNAL REVENUE SERVICE CAN DISCLOSE TO THIRD PARTIES.

<i>IRS Use only:</i>	
_____ Date Received	_____ Acknowledged By
	_____ Title

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OATH

I understand and agree that if I submit any false, inaccurate, or incomplete information in this application and attachments, I will be subject to the following:

My application will be denied.

If I receive a loan based on the false, inaccurate, or incomplete information, and this information is disclosed in the future, the loan will be canceled and immediately payable.

I will no longer be eligible for future benefits under the Commercial Fishing Revolving Loan Fund

I certify under penalty of perjury that all the information provided in this application and attachments is true, accurate and complete. I am aware that the maximum penalty for perjury, a Class B felony under AS 11.56.200(c), is a fine of up to \$50,000 (AS 12.55.035(b)(2)) and imprisonment for up to 10 years (AS 12.55.125(d)).

Applicant's Signature:

Date:

Applicant's Signature:

Date:

Acknowledgment

State of Alaska)
) ss.
_____ Judicial District)

The foregoing instrument was acknowledged before me this _____ day of _____, 20 _____

By (Name of person(s) who acknowledged): _____

Notary Public/Postmaster

My Commission Expires: _____

If you become aware of inaccurate or incomplete information which is contained in your application, you should submit a written request to the Director of the Division of Economic Development which contains the following information:

A description of the challenged information

Changes necessary to make the information accurate or complete

Your name and address