

Fishing Loans

- Community Futures East Interlake Inc.'s (CFEI) loan funds are to be used for ventures that would not proceed without CFEI's financial assistance. If an applicant(s) is able to receive traditional financing for the business, the business may not qualify for CFEI's loan funds.
- Applicant's viability will be assessed at the CFEI office. Based on the assessment, the applicant may be required to obtain a written refusal, in whole or in part, from a financial institution before applying for CFEI's loan funds.
- CFEI encourages partnership/joint lending. If you are approved financing elsewhere for your business venture but it is not the required amount, CFEI can accept applications for the additional dollars needed, up to its maximum financing.
- The maximum amount of financing that may be provided by CFEI to any single applicant or enterprise toward the fishing industry is **\$50,000.00**. The maximum total loans to the fishing industry as a whole is capped at \$50,000/fiscal year.
- Maximum amount that CFEI will fund per pound will be equivalent to Community Economic Development Fund's (CEDF) rate (currently \$1.25/lb).
- Applicant(s) must have no remaining funding available from CEDF.
- CFEI will only fund projects where applicant(s) have or are purchasing two (2) or more licenses. *Youth Fishing Loan Fund is exempt from the two license rule—applicants in the youth program eligible for funding of first license, provided they have all necessary equipment already in place.*
- The applicant must be willing and able to invest a minimum of 20% capital in the enterprise. This equity contribution of 20% is mandatory.
- The venture must appear to have a reasonable expectation of economic viability. No grants or forgivable loans are permitted to be made by CFEI.
- The majority of jobs to be created must be filled by persons residing within the area of influence of CFEI.
- Interest rates will vary, depending on the amount of security provided for the loan (CIBC Prime plus 3% - 7%, minimum base rate of 6.75%.
- Each Fishing Loan Application must be accompanied by a \$50.00 application fee, CFEI Loan Application and Business Planning Workbook.
- It will take 3 to 4 weeks to process your application. The responsibility of assessing and approving the application will rest with CFEI's Board of Directors.
- All applications for financial assistance will be analyzed for the number of jobs it will generate using a general guideline of one full time-equivalent job per \$15,000 to \$25,000 loaned.
- The applicant(s) shall adhere to all municipal, provincial and federal regulations with respect to business operations (environment, health, Canada Customs and Revenue Agency, Employment Standards etc.); and shall not hold the lender responsible for any lawsuits, complaints or penalties that may arise due to the client's failure to adhere to all the appropriate legislature and regulations.
- Receipt of the application does not constitute approval by CFEI. If the application is successful, the applicant will be required to execute all documents necessary to give CFEI the security requested and agreed to by the applicant as stated in the letter of offer.
- **Financing applied for is funded by Western Economic Diversification. Representatives of that government department conduct regular reviews of the operations of CFEI and therefore will have access to information in the applicant's file.**
- No loan will be made or considered to any individual who is currently under charge or investigation for any crime or offence and who as a result a potential judgment could become incarcerated, or to any client having serious financial delinquencies and/or outstanding collections.



GENERAL LENDING GUIDELINES

Equipment - New

- 90% of purchase price or value (whichever is lower) maximum repayment term of 5 years.

Equipment – Used

- 80% of purchase price or current value (whichever is lower) maximum loan term of 5 years.

Land and Buildings

- 90% against independent appraised value with maximum term of repayment at two 5 year terms.

Inventory

- 75% of cost or current wholesale value with maximum repayment term of 2 years.

Working Capital

- 0% margining Any working capital advances to be secured by other fixed assets. Term of repayment to be tied to cash flow with maximum repayment on a working capital loan at 3 years.

Goodwill

- 0% margining typically, unless supported by outside assets.

Accounts Receivable

- Up to 50% of good quality receivables under 60 days and 75% for current receivables.

Specialized Equipment

- Including computers, software, etc. Depending upon the nature of the asset and the history of liquidation, values of such assets and advance of anywhere from 50-75% may be considered with terms of repayment tied to the life expectancy of the asset.

Operating Funds

- Normally, not more than 25% of the financing requested is to be used for operating funds.