

# **NOFA Vermont Revolving Loan Fund**

## General Information for Borrowers

### Eligibility

Loans are available to:

- farmers within Vermont
- farmers that farm with sustainable agricultural practices
- organic farmers
- farmers that are interested in making the transition to sustainable management practices
- farmers that are interested in making the transition to organic management

### Permitted Use of Funds

- Equipment
- Working Capital
- Improvement of business management, i.e. market research, computer software and training, seasonal labor

### Loan Account

- \$2,000 - \$15,000

### Rate

- Fixed rate of 5.75%. Terms and disclosures will be detailed in the commitment letter.

### Terms

- Equipment loans – 1 to 5 years
- Working capital – 1 to 12 years
- Business management – 1-12 months

*Note:* There will be no pre-payment penalty for the payback loans

### Collateral

- Loans under \$2,500 will be unsecured
- Loans of \$2,500 or higher must be secured with a minimum loan to value ratio of 90%.
- Value of the collateral will be assured by an appraisal by the loan officer or an independent third party.

### Equity Requirements

- A minimum of 10% equity in the project is required on loans of \$2,500 or greater.