Alaska Division of Investments

Department of Commerce, Community, and Economic Development
Available Loan Programs

- Rural Development Initiative Fund
- Small Business Economic Development
- Commercial Fishing Revolving Loan Fund

Photos courtesy of: Division of Community and Business Development © #570316 Cordova and #570312 Seldovia
Rural Development Initiative Fund

Goal
To provide private sector employment by financing the start-up and expansion of businesses that will create significant long-term employment.
RDIF General Requirements

- Eligible Areas with a population of
  - 5,000 or less, not connected by road or rail to Anchorage or Fairbanks
  - 2,000 or less, connected by road or rail to Anchorage or Fairbanks
Small Business Economic Development RLF

Goal

- Loans for the start up or expansion of businesses that will create or retain jobs in eligible areas.
- Provide financing to small businesses who are unable to obtain private financing for entire project.
- Non-public matching funds (at least 50%)
- Eligible in most areas except the Municipality of Anchorage, the Borough/City of Juneau, and the Aleutians East Borough
Commercial Fishing RLF

Goal
To promote the development of
predominantly resident fisheries, and
vessel & gear upgrade for the purpose of
improving the quality of Alaska seafood products.
Commercial Fishing
General Requirements

• Alaska resident for 2 years
• No past due Child Support
• Recent fishing experience in Alaska
• Economic dependence on fishing
Commercial Fishing Terms and Conditions

• Maximum term 15 years
• Maximum individual loan amount is $300,000 or less, varies by program
• Maximum Community Quota Entity (CQE) loan amount is $2,000,000 per community
• Interest rate
  – Prime + 2% on most loan types
  – Prime - 2% on Product Quality Upgrade loans
• Priority lien on item being purchased
Loan Programs

- Limited Entry Permit purchases

Photo courtesy of Bruce D. Anderson
Loan Programs

- Limited Entry Permit purchases
- Vessel
  - Purchase
  - Refinance
  - Upgrade

Photo courtesy of Bruce D Anderson
Loan Programs

- Limited Entry Permit purchases
- Vessel
  - Purchase
  - Refinance
  - Upgrade
- Gear
Loan Programs

• Limited Entry Permit purchases
• Vessel
  – Purchase
  – Refinance
  – Upgrade
• Gear
• IFQ purchases

Photo courtesy of Bruce D Anderson
Loan Programs

• Limited Entry Permit purchases
• Vessel
  – Purchase
  – Refinance
  – Upgrade
• Gear
• IFQ purchases
• Product Quality Improvement
Loan Programs

• Limited Entry Permit purchases
• Vessel
  – Purchase
  – Refinance
  – Upgrade
• Gear
• IFQ purchases
• Product Quality Improvement
• Pay past due IRS taxes
Tender
Product Quality Improvement

• Effective 10-25-05
• Alaska residency for 2 years
• Licensed Alaska tender vessels
• The only loan available to non-harvester vessels in the Commercial Fishing RLF
• Interest rate is 2% below prime

Photo courtesy of: DCCED, Alaska Division of Tourism, © #2487
Community Quota Entity

In 2004 NMFS revised the halibut and sablefish quota share program to allow non-profit entities called CQEs to purchase and hold halibut and sablefish IFQs.

- CQEs can purchase halibut or sablefish quota shares out of the existing quota share pool
- The quota shares must be fished by residents of the community
- Loan Program is similar to regular quota share program
42 rural Gulf of Alaska communities in Southeast, Southcentral, and Southwest Alaska were identified as eligible to form a CQE that:

- have a population less than 1500
- have access to saltwater
- lack of direct road access
- had historic participation in halibut or sablefish fisheries
Community Quota Entity

National Marine Fisheries Service approved CQEs are:

- **Craig** - Prince of Wales Island Community Holding Corp
- **Hydaburg** - Hydaburg Community Holding Corp
- **King Cove** – Aleutia Inc
- **Sand Point** – Aleutia Inc
- **Larsen Bay** - Larsen Bay Development Corp
- **Ouzinkie** - Ouzinkie Community Holding Corp
- **Pelican** – Pelican Fishing Corp
- **Perryville** – Perryville CQE Inc
- **Hoonah** – Hoonah Community Fisheries Corp
- **Old Harbor** – Cape Barnabas Inc
BUSINESS RESOURCES . . .
http://www.commerce.state.ak.us/dca/edrg/EDRG.htm

- Searchable database for funding, technical, and a variety of services
- Interactive on line or printable
- inventory of programs and services which can provide economic development assistance to Alaskan communities, businesses, & individuals.
ANOTHER BUSINESS RESOURCE . . .
On line at the Division of Investments
www.commerce.state.ak.us/investments

Establishing A Business
In Alaska

- Great source of information for entrepreneurs who want to start or expand a business in Alaska.
- Available on line or in print
- Also available on CD

13th Edition
March 2006
Alaska Division of Investments

**OFFICES:**

**Anchorage:** Atwood Building downtown

**Juneau:** Heritage Park in the Valley

**1-800-478-LOAN**

Please visit us at:

[www.commerce.state.ak.us/investments](http://www.commerce.state.ak.us/investments)

For information, loan applications, and news
Thank you!

Photos courtesy of the Department of Commerce, Community, and Economic Development