



GUIDELINES

FISHERS LOW INTEREST LOAN PROGRAM

PURPOSE

The purpose of the Fishers Low Interest Loan Program is to assist Prince Edward Island fishers experiencing financial difficulties due to rising costs, low landings in some areas and market conditions that have resulted in low shore prices for lobsters. The Fishers Low Interest Loan Program is a joint initiative of the PEI Department of Fisheries, Aquaculture and Rural Development, and the PEI Lending Agency. Loans under the program will be administered by the PEI Lending Agency. Eligible applicants will be provided loans at a 4% interest rate for the first 5 year term of the loans.

ELIGIBILITY

Fishers eligible under this program must:

1. Hold a valid Prince Edward Island based lobster license during the 2008 and/or 2009 fishing year.
2. Have a net cash position less than \$40,000 per annum, based upon the information contained in the Statement of Fishing Activities as reported in their 2008 or 2009 income tax filing.
3. Existing clients of the Agency are eligible for participation in the program, upon presentation of any necessary documentation; however, clients approved under the previous Fishers Low Interest Loan Program are not eligible.

GUIDELINES

1. Eligible expenses, which can be consolidated under this program, must be attributable to the fishery. Any debt, which is clearly identifiable as consumer debt, and not related to the fishery, will be deemed ineligible for this program.
2. Applicants can apply based on their 2008 income tax return or their 2009 income tax return.
3. Loan proceeds under this program cannot be used for capital acquisition, or to acquire licenses. Only fishing-related assets purchased prior to April 30, 2009 will be considered.

Guidelines

Fishers Low Interest Loan Program

Page Two

4. All loan assessments will be completed in accordance with the Agency's normal due diligence practices for loan adjudication.
5. The Maximum Loan Amount under the Program will be capped at \$200,000 for fishers in LFA 25 and 26A and \$300,000 for fishers in LFA 24. The term of the loans will be 5 years with a maximum amortization period of 15 years.
6. The PEI Lending Agency will require a first security interest over all fishing related assets and power of attorney over all fishing licences. Other security deemed necessary by the PEI Lending Agency may be required.
7. Loans will be provided at an interest rate of 4% for the initial 5 year term of the loan. At maturity of the initial 5 year term, the loans will be renewed, at the PEI Lending Agency's discretion, at the current five year fixed rate being offered at that time.
8. In any matter of difference between the PEI Lending Agency and the applicant, the PEI Lending Agency may consult the Department of Fisheries, Aquaculture and Rural Development. The decision of the Lending Agency will be final.
9. The deadline for applications under the Program will be June 30, 2010.

INFORMATION

Fishers interested in participating under the program are encouraged to contact the PEI Lending Agency to determine their eligibility.

PEI Lending Agency
National Bank Tower, Suite 201
P.O. Box 1420
Charlottetown, PE C1A 7N9
Telephone:(902)368-6200
Fax:(902)368-6201