



**Northern
Maine
Development
Commission**

Brownfields RLF

PROGRAM GUIDELINE

PURPOSE

It is the purpose of the Brownfields RLF program to help provide part of the project cost for the cleanup of brownfields for their redevelopment and reuse.

ELIGIBILITY

The site must meet the U.S. Environmental Protection Agency's Brownfields definition:

"...real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant."

The Brownfields RLF requires determination of a hazardous substance, pollutant or contaminate present in order to apply for a loan (see site eligibility below)

Both Site and Applicant Eligibility must be met, as determined by the NMDC Brownfields Committee, in collaboration with the Maine Department of Environmental Protection.

Once site and applicant eligibility have been met the borrower must complete a loan application and meet the standard loan credit requirements including collateral requirements, repayment ability, credit history requirements, ect.

Site Eligibility:

Sites must be contaminated with Petroleum products, Hazardous materials (ie. Asbestos, lead based paint, controlled substances such as meth labs) or mine scarred land may also be eligible or any combination of these three. A Phase I & Phase II Environmental Assessment must have been completed in order to determine eligibility.

Sites not eligible include: sites listed or proposed to be listed on the National Priorities List, those subject to CERCLA orders or consent decrees, or Federal Properties, (except land held in trust for an Indian tribe)

Applicant Eligibility:

Any Private or Public Entity with control or access of the Brownfield site.

Cannot be a past owner or operator during release of contamination.

Cannot cause or contribute to the contamination

Cannot be a generator or supporter of the contamination

As of November 2006 owner cannot take voluntary acquisition without an ASTM-1527-05 Phase I

ELIGIBILITY CERTIFICATION

All applicants must obtain & provide at the time of application an eligibility certification letter from the NMDC Brownfields Committee. *For help in this process you can contact a staff member of the NMDC Brownfields Committee at 498-8736.*

USES

Once Assessment & Eligibility are determined the loan funds can only be used for the development plan and physical cleanup of the site.

PROJECT SIZE

No limit

LOAN SIZE

80% of the cleanup cost up to a Maximum loan from NMDC of \$180,000.00
Match requirement 20%

Example:

NMDC BFRLF:	\$180,000.00	NMDC BFRLF:	\$180,000.00
Borrower Match:	\$320,000.00	Borrower Match:	\$ 36,000.00
Total Project:	\$500,000.00	Total Project:	\$216,000.00
NMDC BFRLF:	\$ 80,000.00		
Borrower Match:	\$ 20,000.00		
Total Project:	\$100,000.00		

COLLATERAL REQUIREMENTS

Collateral will primarily consist of the subject property or equivalent property. The collateral adequacy will be given proper analysis and consideration using the standard 80% loan to value. Real property serving as security for loans to Borrowers will be appraised by a qualified appraiser.

It has been the policy, and will continue with this program, to require the borrower to provide key person life insurance for the amount of the loan. We believe that the business owners must demonstrate a commitment to the business in order to show a strong desire to reach its goals and objectives.

APPLICATION

First, call the Brownfields Program Manager in the Business Finance Department to determine if your business is or will be eligible. If determined eligible a member of the Business Finance Department will help you with the application and any additional information about your business and the ownership and management of the business needed to process your loan.

INTEREST RATE

The rate will be fixed at 3% for the term of the loan.

TERM

The term of the loan will be 5 years.

FEES AND CHARGES

At time of application the borrower will pay for the estimated cost of a credit check and out of pocket costs anticipated for processing the application. NMDC will charge a one-time non-refundable origination fee equal to one (1%) per cent of the loan, due and payable at time of commitment. The borrower will, also, pay legal fees and other out of pocket expenses incurred by NMDC in the closing of the loan.

PREPAYMENT PENALTY

There will be no penalty for early payment of the loan.