

AGRICULTURAL REVOLVING LOAN FUND
Good Borrower Credits



Alaska Department of
NATURAL
RESOURCES
Division of Agriculture

Criteria

The Board of Agriculture and Conservation (BAC) will, prior to the applicable year, establish a list of those Agricultural Revolving Loan Fund (ARLF) borrowers who meet good borrower credit eligibility and may approve the granting of credits on eligible ARLF loans. New ARLF borrowers, unless otherwise disqualified, may be eligible for good borrower credits the current applicable year.

Loans in moratorium would not affect good borrower credit eligibility. Interest would continue to accrue at its contracted rate and credits would be made only after payments were made.

A qualifying borrower is a borrower who maintains good financial standing and

(A) has no ARLF loan that

- is in default;
- has been rewritten;
- has been restructured
- has been rolled over;
- has had its term extended;
- has had interest rate reduction; and

(B) has never had a Department of Natural Resources (DNR) land payment or Alaska Agricultural Action Council (AAC) land-clearing loan restructured.

A borrower who assumes an ARLF loan may be granted a credit if otherwise qualified.

A borrower maintains good financial standing by complying with the terms of all ARLF agreements and has no payments owed under any agreements that are more than 30 days past the payment due date.

Credits

- The maximum credit that will be granted is two percentage points of the annual interest rate. Interest credit may not reduce the fixed rate to less than five percent per year.
- The credit will be applied each time a payment is made in at least the full amount due and if paid on or before 30 days after the date the payment is due.
- A credit will only apply to the amount of interest due on a loan and will not reduce the amount of the payments.
- A borrower shall receive no refunds except upon overpayment of the total outstanding balance on the qualifying loan.
- Credits may not be transferred between loans or calendar years.
- If a borrower fails to maintain good financial standing or ceases to be a qualifying borrower, the borrower shall be ineligible for any further credits during that calendar year.

**Authority: AS 03.10.020
AS 03.10.030
AS 03.10.050
11 AAC 39.511**