FAME
FINANCE AUTHORITY OF MAINE

Guidelines for Refinancing Existing Lender Debt

Insurance on existing relationships may be provided. This program is for pro-rata insured loans only.

The following criteria apply:

- Up to a maximum 40% of FAME loan insurance on refinancing of a lending institution's existing debt, which is not currently FAME-insured.

- First-lien positions on collateral securing these loans, with a maximum LTV of 120%.

- Debt service coverage to be at a minimum of 0.8:1 after refinance.

- Company/borrower must be viable.

- Current loans cannot be greater than 60 days past due, based on the current interest paid to date and the date of last payment.

- Public benefit must be part of submission. Public benefit may be determined by: the need to retain jobs; the impact this industry has on jobs at other businesses and/or other industries in the region; and the impact on unemployment rates in the region.

- FAME requires an e-mail from the lender that provides:
    - the borrower's name;
    - a statement that this request is for FAME loan insurance on existing lender debt not currently insured by FAME;
    - an outline of the public benefit as discussed above;
    - an outline of the cash-flow benefit due to the refinance (this must be at a minimum of 15% savings on payments for the borrower);
    - details of the debt to be refinanced, including current interest rate, the date of last payment, and confirmation the account is not over 60 days past due; and
    - a statement that this refinance allows the company/borrower to be an ongoing viable operation.

- Standard commercial loan insurance fees apply.