



FAME Business Programs: *How FAME Works for Maine Lenders and Businesses*

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PRESENTED BY:

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Q&A Transcript

Q: Will this presentation be available on line?

A: Yes! You can find the recorded webinar, along with .pdf files of the slide deck, Q&A, and Chat [on our website](#).

Q: Would the steps be to apply for the loan insurance on a business loan/line of credit first, before completing the bank application? Is the FAME insurance in lieu of collateral??

A: Typically the bank has approved the loan prior to submission for FAME insurance. And it would be determined through the bank or credit union's underwriting process that a guarantee would be necessary for approval. The insurance is not in lieu of collateral. We do require collateral to secure our loans, however we're trying to mitigate risk as much as you are, so if the bank is comfortable with it, then you can submit it. We do insure unsecured loans at times, but the cash flow or other risk mitigations would have to be in place to make sure that it's acceptable risk. We like to look at it as three legs of the stool: if one is very strong, then the other two don't have to be as strong, but we're also looking for the lending institution to have faith that their customer is going to be able to pay the loan back.

You can learn more about FAME's commercial loan insurance program, including both OLA and traditional (paper) application processes, [on our website](#).

Q: How does OLA interact with SBA loans?

A: OLA is relatively separate from SBA loans. I wouldn't say that it's the same, but it is similar to a product that SBA offers. We have, in the past, insured loans that have a 504 guarantee associated with them. We look at the SBA as a partner organization to try to best serve the lending partners in the state.

[Learn more about OLA](#), FAME's secure web application that enables lenders to apply online for commercial loan insurance and receive a decision in seconds.

Q: Do you see pro-rata used more often than leveraged?

A: Yes, we do see pro-rata used more often than leveraged.

For a more in-depth look at the differences between pro-rata vs. leveraged insurance, [check out our recorded webinar](#) on the topic, presented by FAME Commercial Loan Officer Roxanne Broughton. Downloadable webinar resources include FAME's Pro-Rata vs. Leveraged Comparison Tool (in .xlsx format) where you can enter your own data to make your own comparisons.

Q: Can any of these agriculture programs be used for aquaculture projects?

A: Yes! The AMLF (Agricultural Marketing Loan Fund) could be used for that. Also, FAME isn't prohibited from doing aquaculture loans, but I think AMLF would be a good fit.

The Agricultural Marketing Loan Fund (AMLF) provides low-cost financing to help farmers, food processors and aquaculture operators improve and enhance the manufacturing, marketability and production of Maine products.

[Learn more about the Agricultural Marketing Loan Fund.](#)

Get information on all of the [agricultural loan programs administered by FAME.](#)