

# **Maine Forestry Direct Link Loan Program Summary**

## **Introduction**

The Maine Forest Service's Division of Forest Policy and Management (MFS), Department of Environmental Protection (DEP), and the Maine Municipal Bond Bank (MMBB) have teamed up to offer a mechanism to provide incentive financing to loggers that reduces non-point source pollution risk on timber harvests in Maine.

## **Background**

Modeled after the Ohio Department of Natural Resources' Silvicultural Direct Link Loan Program, the Maine Forestry Direct Link Loan Program utilizes Clean Water State Revolving Loan Funds to provide low-interest rate financing for Forestry Best Management Practices (BMPs). The purpose of providing this financial incentive is to increase the use of BMPs and environmentally friendly logging equipment in the logging industry. This in turn will help to protect and improve water quality in and around logging operations.

## **Program Description**

Third party certified loggers (Master Loggers) could obtain low-interest financing from participating banks through a Maine Forestry Direct Link Loan Program. MFS will: 1) determine the items that are eligible for financing, 2) ensure that the logger is second or third party certified, 3) ensure that the logger retains, on file, Maine Master Logger Harvest Integrity System forms, and 4) monitor the improvements and practices of the logger.

The DEP and MMBB will: 1) enter into a memorandum of understanding with MFS to implement the program, 2) work with local banks to participate in the program, and 3) provide oversight within the context of managing the Maine Forestry Direct Link Loan Program.

It is estimated that the demand for linked deposit funds for this effort would be approximately \$3,000,000 to \$4,000,000 annually. Additional funds may be made available depending on the program's use and need.

## Purchases Eligible for Loans

The following table outlines some of the potential purchases that could be made through the Maine Forestry Direct Link Loan Program. However, equipment purchases will be considered on a case-by-case basis, with eligibility being based on whether or not the equipment is needed to facilitate the implementation of Forestry Best Management Practices. As new technologies become available, they will also be considered for inclusion into the direct link loan program.

New and Used Equipment Purchases	Retrofit of Existing Equipment	Miscellaneous Purchases
Tree Planter and Associated Equipment	Flotation Tires	Metal Bridges
Mulching Machines	Bogey Wheels	Wooden Bridges
Cut-to-Length Harvesters	GPS Equipment Tracking Systems	Bottomless arches
Forwarders	Harvester and processor heads	Sediment and erosion control products
Fellerbunchers – Must be tracked and equipped with a boom		
Tractors		
Delimbers - Must be equipped for in woods operation		
Swing machines		
Graders		