



Maine Credit Union to Support Farmers Amid Economic Uncertainty

New program will pay farmers' closing costs up to \$3,500 on new or refinanced farmland loans

July 7, 2020 – UNITY, Maine – Maine Harvest Federal Credit Union (MHFCU) today announced a new program that will pay closing costs for purchasing or refinancing farmland in Maine. The Conservation Grant Program will enable potential borrowers to take advantage of historically low interest rates by reimbursing borrowers for their closing costs, up to \$3,500 per loan. MHFCU was chartered by the National Credit Union Administration (NCUA) in 2019, becoming the first-and-only financial institution focused on lending to small farmers and food producers.

"Closing costs on farm loans are high, and often make it financially difficult to refinance, even at lower rates," says Scott Budde, CEO and cofounder of MHFCU. Budde hopes this grant will incentivize farmers looking to buy land, expand acreage or reduce monthly mortgage costs. "Our mission is to improve Maine's local food system through responsible lending – ultimately strengthening the position of Maine's hardworking small farms and food producers," Budde noted.

By the numbers, Maine has 7,600 farms that produce \$3.8 billion in sales annually and employ 24,000 individuals statewide. The agricultural sector is one of the largest bringing younger people to the state, with 40-percent of farmers currently aged 34 or younger. Maine's local food economy is strengthening, with the number of food producers and female farmers both increasing between the 2012 and 2017 Census. The sectors poised for further growth are artisanal cheese, vegetables and local grains.

"COVID-19 has brought increased attention to the importance of Maine's farms, with many people actively seeking to purchase items produced locally," says Amanda Beal, Maine's Commissioner of Agriculture. "We hope that this positive trend continues post-pandemic, and that Maine farmers can find a way to take advantage of this loan program," Beal adds.

To qualify, borrowers will need to have a land analysis performed by the Maine Organic Farmers and Gardeners Association (MOFGA) using software developed by the Natural Resources Conservation Service (NRCS) of the US Department of Agriculture. The software is designed to evaluate conservation practices that could be implemented to improve soil, water and environmental quality. Recommendations made during the assessments are only suggestions – farmers do not need to act on them to qualify for the grant. All farmers, both organic and non-organic, interested in buying or refinancing farmland in Maine are encouraged to apply.

"We are seeing increased interest in new farmland financing at these lower rates, which is a positive sign for the industry at-large," says Patty Duffy, MHFCU's Chief Lending Officer.

Maine Harvest became Maine's 55th credit union, and the first new credit union in the state since the 1990s. With years of specialized experience in agricultural lending, the credit union is often able to lend to farmers when traditional institutions will not. By 2025, Maine Harvest hopes to deploy \$12 million dollars in loans to Maine farmers and food producers. Like all of Maine's credit unions, MHFCU's deposits are insured through the NCUA, and membership is open to those who share the mission of improving Maine's local food system. To apply for or to learn more: lending@maineharvestFCU.coop.

##