



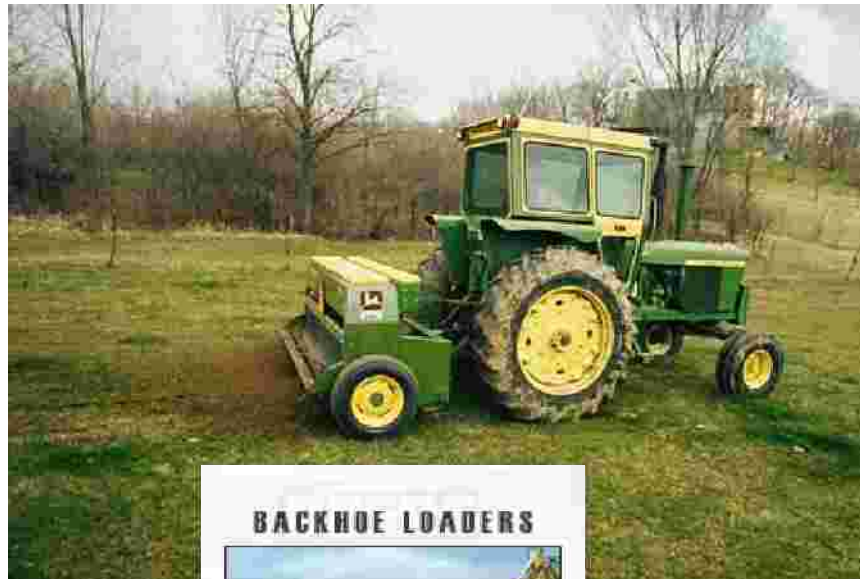
Kentucky Equipment Revolving Fund Loan Program

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Purpose of the program

- | To provide loans to conservation districts that enable the purchase of heavy and specialized conservation equipment, as well as buildings for conservation district offices.

CRAWLER DOZERS



BACKHOE LOADERS



CRAWLER LOADERS



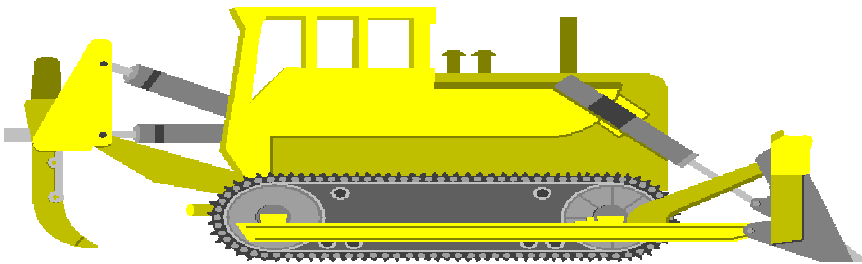


History of the Program

- | Started in 1948
- | Original appropriation of \$400,000
- | Updated in 2007 to include infrastructure
- | Division has made approximately 2,300 loans
- | Current balance is \$1.99 million

Two types of equipment loans

- | District-owned equipment
- | District has possession of equipment and rents it to local farmers
- | Contractor-owned equipment
- | Contractor is required to do a certain amount of conservation work in the district
- | Usually specialized equipment which requires more training for use





Common equipment

- | No-till drills (most common for district-owned)
- | Dozers (most common for contractor-owned)
- | Lime or fertilizer spreaders
- | Tiling equipment
- | Trenchers
- | Sprayers
- | Track hoes
- | Excavators
- | Front end loaders
- | Animal waste pumps
- | Bush hogs
- | Equipment trailers
- | Crawler tractors

Loan details

- | Districts have to pay 1/3 down payment
- | 4% Interest rate
- | Equipment loan periods
 - | <\$50,000 – 36 months
 - | \$50,000-\$100,000 – 48 months
 - | >\$100,000 – 60 months
- | Infrastructure loan period
 - | Maximum of \$200,000 – 10 years





Closing loans

- | Use local field representatives for gathering paperwork and signatures
- | Kentucky Energy and Environment Cabinet attorneys review all paperwork to make sure all is in order
- | Liens on equipment are done by the Secretary of State
 - | \$10 to file
 - | \$10 to remove

Closing loans, cont.

- | If loan is over \$100,000 notice is sent to the Governor's Office of Local Development
- | Money is sent to the district, which then sends it to the dealership
- | Payments are due to district by 5th and to the division by 10th of each month



Program success

- | No loans have ever been written off as bad loans
- | Another district has assumed responsibility for the few repossessions that have happened



Previous stakeholders

- | Previous successful cooperation with Department of Fish and Wildlife Resources
- | FWR would pay the 1/3 down for no-till drills with native grass boxes
- | Program is currently on hold due to lack of funds



For more information:

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