



Russell Farm and Forest Conservation Foundation

Bridge Loan Policy Guidelines

The Russell Farm and Forest Conservation Foundation (the “Foundation”) makes loans for purchases of land or conservation easements (Lands) to advance its Land Conservation Grants Program and project related costs to support farm viability. The Bridge Loan Fund (the “Fund”) was established in recognition of the need for bridge funding to meet a landowner’s timing needs until permanent funding is received. Through lending, the Foundation also seeks to extend the reach of its grant making by helping borrowers attract other sources of funds, and thereby reducing the need for Foundation grant funds. Eligible projects will meet the criteria of the Foundation’s Land Conservation Grants Program, which is committed to accelerating the pace of land conservation and supporting farm and forest viability.

Uses

The Fund will invest primarily in capital for purchase costs for Lands and project costs associated with the purchase of Land. Projects should meet the criteria of the Foundation’s Land Conservation Grants Program.

Loan Terms

The terms of loans are determined on a case-by-case basis, with most loans being for less than 2 years. Interest rates are also determined on an individual project basis, but are always below market rate, on a risk-adjusted basis. The need for security may vary depending on the borrower and the transaction. Repayment terms will be set in accordance with project needs. Generally, principal and interest are payable at maturity.

Eligibility

Loans are available to nonprofits recognized by the Internal Revenue Service as a public charity under Section 501(c)(3) of the Internal Revenue Code. The criteria for evaluating proposals for loans include the project’s potential impact (as outlined in the Grant Application Guidelines, its financial feasibility, and the extent to which it is related to the Land Conservation Grants Program and furthers the Foundation’s mission.

Application Process

If you think you may need a loan on a specific project in the near future, please contact Ian McSweeney at (603)801-3120 to help determine whether a formal application is merited.

Complete applications include a project description, due diligence on the parcels to be acquired, and the financial and legal status of the borrower. A critical consideration will be the feasibility of the borrower’s repayment plan. If an applicant is approved for a loan, terms for the loan will be developed, and the Foundation will draft a loan agreement. Once a loan agreement is signed and conditions for closing have been met, funds will be made available to the borrower.

Deadlines

The Foundation will accept applications for loans at anytime, and the Foundation’s Directors will meet to consider applications as needed. Directors will carefully review the application and, in particular, the financial due diligence in order to ensure repayment of the loan so others can make use of the Fund in the future. Please recognize that the entire process, from inquiry to the wiring of funds may take several weeks to complete, assuming that the due diligence is complete.