FAME COVID-19 Relief Lender Insurance Program

The COVID-19 Relief Loan Insurance for Lenders is a program for commercial loan insurance for Maine lenders (banks and credit unions). The Finance Authority of Maine will make special terms available to Lenders providing business loans to Borrowers that experience interruption or hardship due to COVID-19. These special terms are available only on applications submitted via the Authority’s OnLine Answer (OLA) platform on or after March 20, 2020. These loans are eligible for pro-rata insurance coverage of up to 50% – 75%.

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Eligibility

Provided to the Lender for loans made to a Maine-based businesses experiencing interruption or hardship due to COVID-19.

Loan Amount/Exposure

$100,000 maximum lender loan with FAME insurance ranging from 50% to 75%. FAME has allocated up to $10,000,000 in reserves for this program.

Loan Term

12-month term, which can be extended if necessary.

Payments

May be interest only.

Security

Business assets are required.

Guarantees

Unlimited personal guarantees of the business principals.

Fees

1% guarantee fee year-one, may be financed with the loan. Commitment fee of 0.5% is waived.

Application

The Lender submits the application via the normal OLA on-line process, checking the “COVID-19 Relief” box. The lender has the option to apply for up to 75% insurance, but the loan will automatically receive approval at 50% loan insurance.

FAME will e-mail the Lender an Authorization Letter reflecting the waiver of the commitment fee. Lender shall obtain documentation from borrower outlining COVID-19 effects on their business operations.