

# BRIDGE LOANS FOR ON-FARM ENERGY PROJECTS

This document provides a non-exhaustive overview of Massachusetts lending institutions that are able to provide bridge capital to farms for energy efficiency and renewable energy projects. The entities on this list are non-commercial lenders with a community development ethos and mission to serve businesses that may not have access to conventional loans.

The products these lenders offer are not exclusive to energy projects; however, assuming other eligibility criteria are met, they can be used for upfront bridge capital to enable investment in energy- and cost-saving measures.

The research was made possible through a Rural Business Development Grant from the U.S. Department of Agriculture and is intended as a resource to the Massachusetts Farm Energy Program (MFEP), which is sponsored by the Massachusetts Department of Agricultural Resources and administered by the Center for EcoTechnology. MFEP does not endorse any of these lenders. Please contact them directly if you are interested in learning more.

## FRANKLIN COUNTY COMMUNITY DEVELOPMENT CORPORATION (FCCDC)

FCCDC administers two loan programs that can provide bridge capital for on-farm energy projects, each with their own conditions and terms.

### [PVGrows](#)

The PVGrows Investment Fund is dedicated to offering flexible financing for farms and food service businesses. Most borrowers are in Western Massachusetts, but farms and food service businesses across Massachusetts—and New England—are eligible. The FCCDC provides underwriting. Funds are available for equipment, working capital, startup, and more.

#### **The Basics:**

- Eligibility:
  - Must be a farm or food entrepreneur.
- Tenure: Flexible; offering bridge and term loans.
- Loan range: \$1,000 to \$250,000.
- Interest rate: 7% but subject to change.

#### **To Apply:**

Complete the PVGrows Investment Fund [Inquiry Form](#). Submissions are brought before the advisory committee on a monthly basis. Qualifying businesses are invited to go through the loan process and provided with a loan package checklist.

### [Mass Food Trust](#)

The Massachusetts Food Trust Program (MFTP) provides loans, grants, and business assistance for increasing access to healthy, affordable food in low-income, underserved areas. Started with seed funding from the state and co-administered by FCCDC and the Local Enterprise Assistance Fund (Leaf) in Boston with support from The Food Trust, the MFTP prioritizes support for businesses selling fresh food that is grown, caught, or harvested in MA. The program offers critical financial and technical support to help launch and expand businesses that increase food access, create jobs, and stimulate economic investment in urban, suburban, and rural communities across the Commonwealth.

#### **The Basics:**

- Eligibility:
  - Farm must be directly involved with expanding access to healthy food (e.g., onsite retail, farmers market, CSA);
  - Farm must be located in or serving a census tract with a Median Family Income of up to 95% of Area Median Income, or a poverty rate of 20% or higher;

- Farm must accept federal and state benefits (e.g. SNAP, HIP, WIC) to the maximum extent possible;
  - Area served must be under-served with fresh food retail;
  - Farm is encouraged to demonstrate how they promote opportunities for enterprises of diverse ownership, hire employees from the surrounding neighborhoods, pay living wages, and align with existing goals of local government and residents.
- Tenure: Flexible; offering bridge and term loans.
  - Loan range: \$15,000-\$300,000; grants \$5,000-\$25,000.
  - Interest rate: 4-5%.

**To Apply:**

Complete the Mass Food Trust [Pre-Application form](#). Farms will be contacted for an interview and notified of eligibility in 2-4 weeks, at which point they are invited to submit an Application for Financing.

**COMMON CAPITAL**

Common Capital is a non-profit community development financial institution in Western Massachusetts that offers loans to businesses that can't access them from conventional sources. The goal of their financing is to support low- and moderate-income business owners and help create and retain jobs. They offer fixed rate loans and lines of credit up to \$300K, which can be used toward start-up, working capital, inventory, supplies, and equipment.

**The Basics:**

- Eligibility:
  - Must be located in Berkshire, Franklin, Hampshire, or Hampden County.
- Tenure: up to 10 years.
- Loans range: \$1,000 to \$300,000.
- Interest rate: 8.25-10%.

**To Apply:**

Complete the [Loan Application](#) and submit to Kimberly Gaughan, Loan Fund Manager at [kgaughan@commoncapitalma.org](mailto:kgaughan@commoncapitalma.org). After applications are screened, Common Capital holds a phone interview with the applicant to gather information about the business and its financing needs. Decision turnaround is typically 2 to 4 weeks and may be shorter depending on the loan size and other factors.

**COOPERATIVE FUND OF NEW ENGLAND**

The Cooperative Fund of New England (CFNE) is a community development loan fund that facilitates socially responsible investing in cooperatives, community-oriented nonprofits, and worker-owned businesses in New England and adjacent communities in New York.

**To Apply:**

If your farm is cooperatively-owned, please contact Cooperative Fund of New England to discuss your financing needs and learn about current interest rates, terms, and loan amounts. They may be reached by email ([cfne@coopfund.coop](mailto:cfne@coopfund.coop)), phone (800-818-7833), or their website ([www.coopfund.coop](http://www.coopfund.coop)).