

**CLASS III RAILROADS AND COG RAILROADS
REVOLVING LOAN FUND**

**INFORMATION
&
APPLICATION FORM**

July 20, 2020

**NEW HAMPSHIRE DEPARTMENT OF TRANSPORTATION
BUREAU OF RAIL & TRANSIT
PO BOX 483
CONCORD, NH 03302-0483**

Class III Railroads and Cog Railroads Revolving Loan Fund

This fund, established in 1994 by [NH RSA 228:66-a](#), provides loans for railroad rehabilitation and equipment for Class III Railroads and Cog Railroads that operate in the State of New Hampshire. The loan program is administered by the New Hampshire Department of Transportation, Bureau of Rail & Transit. The fund requirements are as follows:

- The Railroad shall be current on all existing loans secured through the Class III Railroads and Cog Railroad Revolving Loan Fund
- The Railroad must furnish assurances by a signed agreement that it will continue utilization of the line involved to at least eighty (80%) percent of the previous three years' average freight or passenger level of service for period of five years. The Railroad must provide a commitment to maintain the line and all improvements.
- The term of the loan will be between five (5) and twenty (20) years, to match the useful life of the improvements and/or equipment financed.
- The Department shall secure a lien on the improvements and/or equipment in an amount at least equal to the principal and interest of the loan, to expire upon repayment of the loan.
- The loan agreement is subject to approval by the Governor and Executive Council.
- The application must include the information necessary to establish a Benefit - Cost Ratio to determine credit worthiness for the proposed project as outlined in the following pages. The Department will conduct its Benefit - Cost Analysis and only those applications meeting or exceeding a minimum financial analysis threshold will be advanced for further consideration.
- Allowable costs for loans include labor and materials for:
 - Replacement rail, cross-ties and other track materials
 - Replacement or repairs to bridges or other structures
 - Ballast placement, surface and lining of trackage
 - Ditching improvements and brush removal
 - Off-loading, truck transfer and other intermodal facilities
 - Industrial siding to provide access to shippers
 - Railroad locomotives and other rolling stock
 - Other railroad facilities
- The Department will consider track rehabilitation projects as first priority and other projects as second priority.

The attached Loan Application must be completed and contain the following information:

- I. Completed Loan Application**
- II. Exhibit A: List of officers and directors**
- III. Exhibit B: Detailed estimate of materials and labor costs (Project Budget)**
- IV. Exhibit C: Description of applicant's business and how the proposed project will contribute to its business**
- V. Exhibit D: Information and documents necessary to conduct a *Benefit - Cost Analysis* to determine credit worthiness for the project as follows:**

Must provide:

1. Three years: annual tonnage/passenger average;
2. Three years: audited financial statements;
3. Listing of any loans acquired whether commercial, State or Federal as of the date of application to include any COVID-19 related loan programs such as, Paycheck Protection Program, Economic Injury Disaster Loan or Advance, State of NH economic or loan assistance;
4. List of lawsuits or any litigation the railroad is listed as a party to;
5. Reasonable proof of adequate collateral; and
6. Statement of useful life for lien collateral.
7. Current Business plan to include strategies related to COVID-19 and impact to revenue and expenses; and
8. Credit report.

Please label these documents as Exhibit D & corresponding Document #1-8

Notes:

1. The Department will conduct its Benefit - Cost Analysis to determine credit worthiness and only those applications meeting or exceeding a minimum financial analysis threshold will be advanced for further consideration.
 - a. Applications whose financial analysis scores below the established threshold will not be advanced for funding consideration
2. The Department reserves the right to require additional information

Proceed to Loan Application: Complete Loan Application & submit required Exhibits
Application Due Date: 3:00 PM EDT on AUGUST 20, 2020