

M E M O

To: Members of the House Commerce Committee

From: Jo Bradley, VEDA

Date: December 2, 2013

Re: Possible VEDA Legislative Changes

Thank you for the opportunity to provide some suggestions concerning possible changes to the existing legislation for both VEDA and its affiliate the Vermont Agricultural Credit Corporation (VACC) that would allow VEDA and VACC to better serve our borrowers.

We have no changes to suggest to the VEDA legislation proper (Title 10 V.S.A., Chapter 12). However, VEDA and the State Treasurer suggest that Section 8 of Act 87 enacted last year be changed so that the terms of the \$10 million credit facility to be extended by the Treasurer to VEDA can be determined by the parties in negotiation rather than having to be “short term”. The Treasurer and VEDA will jointly propose language to this effect.

With respect to VACC (Title 10, V.S.A., Chapter 16A) we have two changes to suggest. One is to Section 374b(7) which deals with the definition of a “farmer”. We recommend language be inserted that would make clear that individuals engaged in forestry and forest - related products industries are eligible borrowers. Second, we suggest that Section 374a(b) be amended so that the maximum aggregate principal balances that VACC could have outstanding to any one borrower at any time does not exceed \$2 million. This suggestion has come to us from the agricultural community.

As always, I thank the Committee for their support and would be pleased to discuss the proposed changes in more detail at your convenience.