

Commercial Lending at VEDA

Senate Committee on Economic Development, Housing and General Affairs
Thursday, January 15, 2026



What is VEDA?

- Created by the General Assembly in 1974
- Mission is “to contribute to Vermont’s economic vitality by providing a broad array of financing programs to eligible businesses that create jobs and help advance Vermont’s public policy goals.”
- Since its inception, VEDA has provided more than \$2.8 billion in financing assistance to thousands of Vermont entrepreneurs, manufacturers, small businesses, and agricultural enterprises to enhance the vitality of Vermont’s economy.



Where does VEDA get its money?



- Appropriations only for specific programs like DRLF.
- Funded in banking market, commercial paper, lines of credit.
- VEDA borrows money and lends it out to fulfill its mission.

\$61.5 MILLION

IN FINANCING FOR BUSINESSES, FARMS, AND NONPROFITS



\$35.8 MILLION

COMMERCIAL LOANS



\$13.6 MILLION
SMALL BUSINESS LOANS



\$13.8 MILLION
TRAVEL & TOURISM LOANS



\$8.4 MILLION
MANUFACTURING LOANS

\$15 MILLION

AGRICULTURAL &
FORESTRY LOANS



\$10.7 MILLION

WATER & WASTEWATER
IMPROVEMENT LOANS



FISCAL YEAR 2025 LOANS CLOSED

AT JUNE 30, 2025

173

LOANS CLOSED

Vermont Economic Development Authority | 2025 ANNUAL REPORT



VEDA's current loan portfolio

Agriculture



\$83 Million

Commercial



\$202 Million

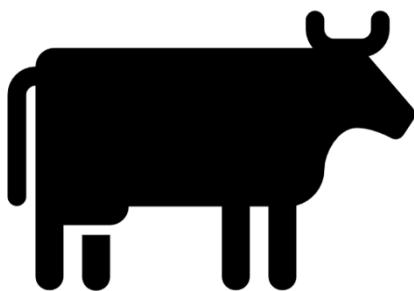
Total Value



\$285 Million



Agricultural Lending



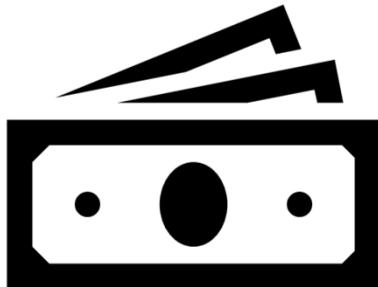
- Lend directly to farmers, forest-products enterprises.
- Occasionally fund projects alongside other lenders, but frequently VEDA is only lender involved in a project.
- Projects include expansions, land acquisition, equipment purchases, working capital, and housing for farmers and farmworkers.

Commercial Lending



- 70% of VEDA Commercial Loans involve at least one other lender.
- Participate with most banks in Vermont.
- Projects include downtown development, multi-use commercial properties that include some housing, hotels, manufacturing, expansions, land acquisition, equipment purchases, working capital, energy investments, and more.

Venture Capital Program



- \$29 million from State Small Business Credit Initiative (SSBCI).
- VEDA selected 5 venture capital funds to invest money.
- Funds' investments vary by location, industry, growth stage of company.
- To date, 30 investments worth more than \$4.5 million.
- Two successful exits allowing reinvestment to help other businesses.

Notable venture capital investees

Wasted! PBC

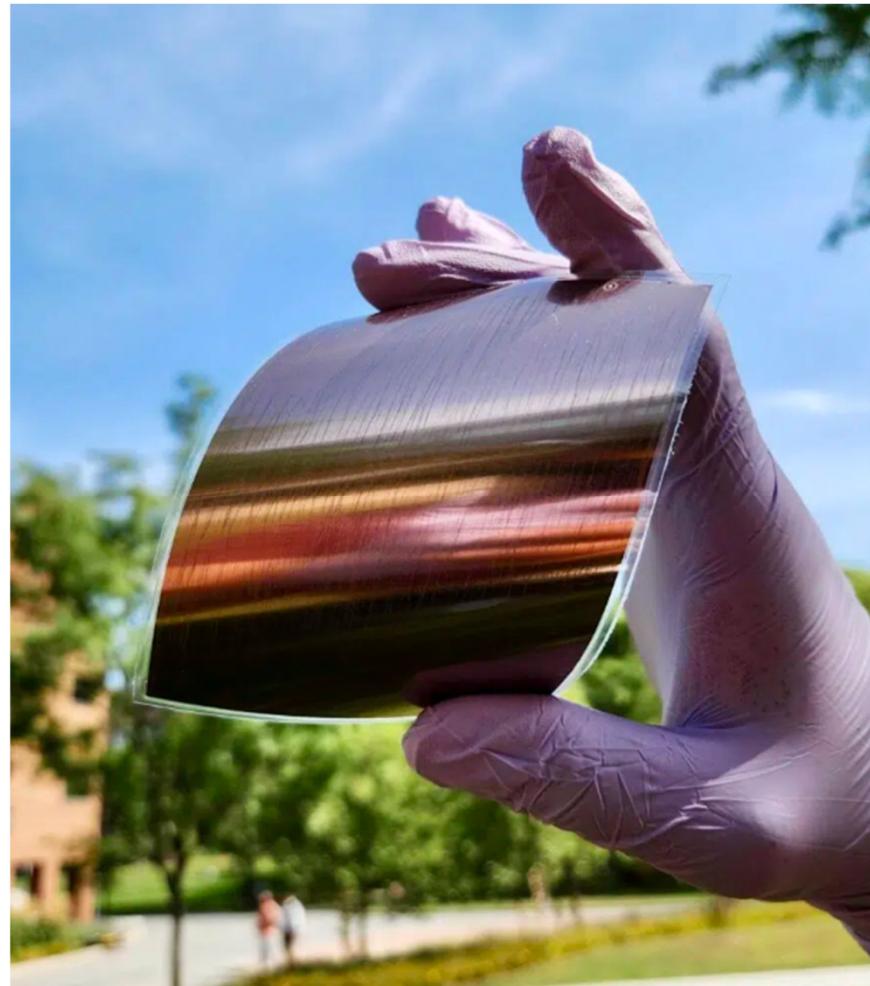
Aprexis Software

Brightwater Tools

Verde Technologies

Vermont Nut Free Chocolates

Greensea Systems



Recent VEDA commercial investments

AC Hotel Burlington
Benn High
Farmer and the Bell Café
Vergennes Animal Hospital
Landgrove Inn
Essex Resort & Spa
Turtle Island Children's Center
Lyndonville Bagel Depot



Why should VEDA lend to commercial housing projects?



- Serious supply shortage across entire income spectrum (doctors, nurses, engineers, teachers).
- VEDA is an Economic Development Authority created to help economy.
- Economy needs housing.

Why should VEDA lend to commercial housing projects?



- In banking world, multi-family 5+ unit projects are commercial projects.
- We are expert commercial lenders.
- Already have necessary staff and commercial lending expertise.
- Would be extension of existing commercial portfolio.

Why should VEDA lend to commercial housing projects?



- Statutory change would not result in automatic loan approval. Staff would vet each proposal and determine viability.
- VEDA has strong financial position to support commercial lending for multi-family projects.
- We have capital and can borrow on our own.
- Not seeking an appropriation.

Why should VEDA lend to commercial housing projects?



- Statutory change would allow VEDA support for CHIP-related commercial housing and infrastructure.
- Current limitation is preventing VEDA participation in all aspects of economic development.
- Have extensive commercial banking partnerships. Multi-family housing is already in their commercial portfolios.

Why should VEDA lend to commercial housing projects?



- VEDA helps banks and credit unions every day.
- We are available if they need or want us in a transaction. That would remain true for multi-family commercial housing projects.
- VEDA participation can get deals done that might not otherwise.

Why should VEDA lend to commercial housing projects?



- Changing statute to allow VEDA to lend to multi-family commercial housing projects does not force banks or credit unions to work with VEDA.
- Banks expressed interest in VEDA's possible participation.

Proposed commercial housing language

“After consultation with and deference to the Vermont Housing Finance Agency on applications that are eligible for financing from both the Authority and the Agency, financing for multi-unit (5+) housing developments jointly financed with another lender or lenders when requested by said lender(s).”



How liquidity spurs housing development

- More capital from ED lender could help create more housing.
- VEDA's competitive rates could make it easier for more multi-family commercial projects to cross the finish line, just as it does now for other commercial projects.
- If a bank or credit union wants some exposure but not all, VEDA can fill that gap.
- If VHFA doesn't want to support a project, VEDA could.



Questions?



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