

BCF Announces Changes on Interest Rates on Fish Vessels

The Department of the Interior's Bureau of Commercial Fisheries (BCF) has announced changes in regulations governing interest rates on fishing vessel mortgages insured by the Department.

Bureau Director H. E. Crowther said the new regulations, designed to permit greater flexibility in the rates charged, should make it easier for the Nation's fishermen to obtain such loans.

Under previous legislation, a 6 percent interest ceiling was imposed on loans of this type. In recent months, Mr. Crowther said, the general rise in interest rates has caused most lenders to reject the fishing vessel loans in favor of others providing a higher rate of return.

The law covering insured fishing vessel mortgages has been amended to permit the Department to determine the interest rate that may be charged, taking into account both the risk assumed by the Department and the interest rates prevalent in the private market at the time of the loan.

Mortgages for financing construction, reconstruction, or reconditioning of fishing vessels can be insured by the Department of the Interior in much the same manner that the Federal Housing Authority insures mortgages to finance the construction of homes.

Details were published in the "Federal Register" June 29, 1968.