



AGENDA

- Beginning Entrepreneur Loan Guaranty
- Business Development
- PACE Fund
- Biofuels PACE
- Match Program
- Bank Participation

Beginning Entrepreneur Loan Guaranty

- Start-up or business purchase by a beginning entrepreneur
- Any type of business activity
- Guaranty amount - 85%. Maximum loan amount is \$100,000
- Guaranty fee of .5% per year or one-time fee of 2.00% to BND

Beginning Entrepreneur Loan Guaranty (Cont.)

- Guaranty may not exceed 5 years
- Loan terms: standard bank terms
- Restrictions
 - North Dakota resident, high school graduate, net worth not to exceed \$200,000

Business Development Loan Program

- New or existing "higher risk" businesses
- Any type of business activity (including refinance)
- Loan amount – Maximum to BND is \$1,000,000 or 70% of the total loan amount which ever is less
- Interest rate – BND's portion will be variable at prime less .50% or fixed up to 5 years at the Federal Home Loan Bank Advance Rate plus 2.25%
- Loan terms – Standard bank terms

PACE Fund

- Incentive financing to encourage job creation
- Manufacturing, value added processing, targeted services
- Job development - One new job per \$100,000 of loan proceeds
- BND's participation - 50% to 80%
- Interest rate - Market rates
- Loan terms - Standard bank terms

PACE Fund Cont.

- Interest buydown
 - 5.0% below the note rate
 - Rate floors may apply
- Maximum buydown from BND is \$300,000
- Local matching buydown funds are required 15% to 35%
- Restrictions – No refinancing, term debt only

Flex PACE

- Same as regular PACE with the following exceptions:
 - Does not require job creation
 - Can be any type of business
 - Maximum buydown from BND is \$200,000
- The community decides what is eligible
- Restrictions – No refinancing, term debt only

Biofuels PACE Categories

- Biofuels production facilities
- Livestock Operations

Biofuels Production Facilities

- Facility must be located in ND
- Agricultural producers must own at least 10% of the entity
- ND residents must own at least 50% of the entity
- Use of proceeds: purchase equipment, Construct new or expanding facilities
- 5% interest buydown with a maximum buydown amount of \$500,000
- Cannot be combined with the PACE Program
- No local match required

Livestock Operations

- Must be a ND livestock feeding or milking operation
- Feed ration must include byproducts produced by a ND biodiesel or ethanol facility
- Use of proceeds: purchase equipment, construct or expand livestock facilities
- 5% interest buydown with a maximum buydown amount of \$250,000
- No local match required

Match Program

- Incentive financing for companies that have a long term bond rating of "A" or better
- Borrower must provide new wealth creation in North Dakota
- Interest rate net to BND: .25% over treasury rates
- Loan terms:
 - 15 year maximum term
 - Equal annual principal payments are required
 - Collateral required
- Restrictions: No refinancing

Loan Participation Program

- Any type of business that has a ND connection
- Rate – Negotiated (market rate)
- Terms – Standard bank policy
- Equity – Standard bank policy
- Fees – Negotiated

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Questions & Comments



Thank You

Bank of North Dakota
