



Welcome to The 2009 Fall EDND Conference

Welcome

BANK OF NORTH DAKOTA



Commercial Loans

- PACE (Partnership in Assisting Community Expansion) Fund
 - Program is meant for primary sector businesses such as manufacturing, value added agriculture, telecommunication and tourism.
 - \$7 million of interest buydown is available for loans to manufacturers and value-added processing businesses
 - \$300,000 of interest buydown per project to reduce the interest rate by 5%



• *Increased the total amount of interest buydown per project from \$250,000 to \$300,000.*

- Job creation waiver – Possible change due to economic conditions

Lending Services

BANK OF NORTH DAKOTA



Commercial Loans

- Flex PACE Fund
 - Program meant for businesses not eligible for PACE or cannot meet job requirements.
 - \$2.8 million of interest buydown is available for loans to essential community businesses
 - \$200,000 of interest buydown per project to reduce the interest rate by 5%.

Loan Policy
Change

- *Increased the total amount of interest buydown per project from \$150,000 to \$200,000*

Lending Services

BANK OF NORTH DAKOTA



Commercial Loans

- **Flex PACE Fund**
 - BND participated in 46 Flex-PACE loans in the 2007-2009 biennium.
 - Projects ranged from dental practice to construction company to a hunting lodge.
 - A total of \$2.8 million of state buydown money was used.
 - BND has participated in 18 Flex-PACE loans since July 2009.
 - Projects ranged from chiropractor to abstract company to cafe.
 - Just over \$1 million of buydown funds have been used.

Lending Services



Commercial Loans

- **Flex PACE Fund Example**
 - Hunting/Fishing Lodge in North Central ND.
 - Use Flex-PACE on bank portion of a SBA 504 Package.
 - Combines the benefit of interest buydown with the low interest rates of SBA 504 Program and a borrower having to put in less equity than a standard transaction would require.

Lending Services

BANK OF NORTH DAKOTA



- Available For Questions:

- Chad Johnson, Loan Officer: 1-701-328-5694 or via e-mail cbjohnson@nd.gov
- Joel Erickson, Loan Officer: 1-701-328-5776 or via e-mail jerickson@nd.gov
- Lori Gabriel, Loan Officer: 1-701-328-5670 or via e-mail lgabriel@nd.gov
- Kim Kautzman, Loan Officer: 1-701-328-5894 or via e-mail kkautzman@nd.gov
- Brad Thompson, Loan Officer: 1-701-328-5687 or via e-mail bthompson@nd.gov

Lending Services