



## LIVESTOCK REBUILDER LOAN PROGRAM

### Purpose

This program assists local financial institutions in providing loans to North Dakota livestock producers who plan to purchase and rebuild breeding stock in an effort to recover from the 2021 drought. BND has set aside \$150 million for the 2021 drought related programs. Funds will be allocated on a first-come basis.

**Applications will be accepted until June 30, 2023 at 5 p.m. CT.**

### Eligibility

The borrower must be a North Dakota resident or North Dakota family farm entity who is a livestock producer.

### Participation Requirements

BND will participate up to 75 percent of the total loan amount, not to exceed a maximum participation of \$500,000. Standard underwriting procedures will apply to all loans.

## Use of Proceeds

The program may be used to purchase breeding stock.

## Loan Terms

Up to 7-year term. At the discretion of the originating lender, payments may be interest only for up to 2 years then convert to principal and interest amortized over the remaining term. Total repayment term, including interest only period, not to exceed 7 years. Average age of livestock being financed should be considered in determining the amortization period.

## Interest Rate and Fees

**BND Fixed rate option:** Interest rate will be fixed at 3.50% for up to 7 years. BND to net 3.25%. The originating lender to retain a 0.25% service fee.

**BND Variable rate option:** Interest rate will be variable at BND Base minus 0.75%, adjusting monthly through maturity with a floor of 2.50%. BND to net BND Base minus 1.00%. The originating lender rate includes a 0.25% service fee.

**Lead Lender Rate:** The interest rate charged on the originating lender share of the loan may be determined by the originating lender.

**BND Fees:** BND to receive a \$250 origination fee.

## Collateral

Maximum loan to value of 75 percent on all chattels. Valuation is based on average market prices. Collateral to be shared prorata, or if the loan to liquidated value is at 120% or less based on BND's advance rates, a second lien on chattels may be acceptable. For collateral purposes, any FSA loan will require FSA subordination.

## How to Apply

All applications must be submitted by a local lender. Please contact your local lender to initiate the loan application with Bank of North Dakota.

