

2024 Ag Disaster Relief Loan Program



The 2024 Ag Disaster Relief Loan Program provides relief for North Dakota farmers and ranchers negatively impacted by extreme weather events, wildfires, inflationary input costs, and volatility in commodity prices. BND has set aside \$200 million for this program.

Applications will be accepted through June 30, 2025.

How to apply

BND offers this loan by partnering with local lenders. This program may be used in conjunction with other eligible BND programs. Please contact your local lender to initiate the loan application with Bank of North Dakota.

Eligibility

- The borrower must be a North Dakota resident or North Dakota family farm entity principally engaged in farming or ranching and have a
 - 2023 and/or 2024 operating shortfall or
 - Existing 2019 BND Ag Disaster loan balance
- Borrower must have an operating line approved for 2025

Use of proceeds

This program will provide borrowers with the ability to cover 2023 and/or 2024 operating shortfalls, 2024 farm operating cycle debt payments as well as the decline in working capital. Decline in working capital will be calculated by the working capital change between 2023 and 2024. Additionally, any 2019 Ag Disaster program loan balances may be included in the loan amount for this program. Proceeds will not be allowed to refinance existing debt.

Loan amount/limit

The loan amount will be limited to the combined operating shortfall incurred during 2023 and 2024 operating years, 2024 farm operating cycle debt payments as well as the decline in working capital. Decline in working capital will be calculated by the change between 2023 and 2024. Additionally, remaining 2019 Ag Disaster program loan balances may be included. Lead Lender must provide documentation acceptable to BND that quantifies the loan amount requested.

Interest rate and fees

BND Interest Rate: BND will net 5.25% fixed for up to five years.

Lead Lender Service Fee: The lead lender may add up to a 0.25% service fee on BND's participation.

Lead Lender Rate: The interest rate charged on the lead lender share of the loan may not exceed 5-year FHLB Advance rate plus 3.00%.

Fees: BND will receive a \$250 fee.

Collateral

Shared first lien on assets pledged. Priority lien will be shared on a pro rata basis with existing debt upon liquidation.

Participation requirements

BND may take not less than 50% or more than 75% of the total loan amount as its participation percentage. Standard underwriting procedures will apply to all loans.

Loan terms

Chattel: Up to 10-year amortization with a 5-year balloon. The first annual payment may be interest only with principal and interest payments amortized over the remaining term.

Real Estate: Up to a 25-year amortization with a 5-year balloon. The first annual payment may be interest only with principal and interest payments amortized over the remaining term.