

## Match Program

The Match Program provides low interest rates to encourage and attract financially strong companies to North Dakota.



### Eligibility

While intended to serve all investment rated companies in the state, specifically, Match shall serve as the primary loan program to support large-scale economic diversification projects. These companies shall provide evidence of considerable financial strength as demonstrated by a long-term investment grade rating. If a company does not have an adequate rating, it has three options to meet this requirement:

- Credit enhancement by a financial institution. The bank or credit union can provide a letter of credit acceptable to BND or pledge Fed Book entry securities.
- Guarantee from a federal guaranty agency or another company with an investment grade rating.
- Pledge a certificate of deposit or marketable securities of a quality and level satisfactory to BND.

This enhancement must provide 100% of BND's portion of the loan.

### Use of proceeds

Proceeds may finance real estate, term working capital, purchase or lease equipment.

### Loan amount/limit

BND will determine the maximum loan amount based upon funding availability and loan demand at the time of the loan application.

### How to apply

BND offers this loan by partnering with local lenders. To apply, contact your lender.

### **Interest rate and fees**

**Fixed Interest Rate:** The interest rate on BND's portion of the Match loan can be fixed for up to 20 years and will be based on the like term United States Treasury rate + 0.25%. The originating financial institution may also charge a service fee acceptable to BND for servicing the loan which will be added to the rate stated above.

**Fees:** The lead financial institution may charge a service fee acceptable to BND that can be added to the net interest rate to BND and may charge an origination fee up to 1.00% of the total loan amount. BND will share in a portion of the origination fee.

### **Collateral**

BND requires first lien position on real estate, equipment and other security as may be appropriate. A corporate guarantee may be necessary if the borrower is a subsidiary and cannot meet the financial strength requirements on a stand-alone basis.

### **Additional requirements**

The promissory note will require equal principal payments over the life of the loan. For example, a \$10 million note with a ten year final maturity will require equal annual principal payments of \$1 million plus accrued interest.

### **Loan terms**

The term of the loan will vary depending on loan purpose with a maximum of twenty years.