



# INDUSTRIAL COMMISSION OF NORTH DAKOTA

John Hoeven  
Governor

Wayne Stenehjem  
Attorney General

Roger Johnson  
Agriculture Commissioner

News Release

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For Immediate Release

## **BND creates disaster relief loan programs for victims of recent weather related events**

**BISMARCK** – The Bank of North Dakota (BND) has created low interest rate disaster relief loan programs for North Dakota residents impacted by the recent weather related events. BND will provide loan funding and work in partnership with local community financial institutions in affected areas to implement the programs.

The disaster relief loan programs are designed to assist homeowners, farmers and business owners in North Dakota counties and communities that have been declared as disaster areas. The new programs will be implemented immediately and coordinated through the North Dakota Department of Emergency Services and Bank of North Dakota.

“I’ve met with farmers, homeowners and business owners across the state who need help because of severe summer storms and flooding,” said Gov. John Hoeven. “Through the Bank of North Dakota, we can help provide that assistance through this new low interest loan program.”

According to BND, North Dakota residents impacted by severe summer storms and flooding who want to access the low interest loan program should contact their local financial institution to begin the loan process in their home community.

“BND has designed this program to provide the funds with minimal processing time and costs to the borrower,” said Eric Hardmeyer, BND president. “If a local financial institution is unable to originate the loan, BND will make other arrangements to provide the funds.”

The disaster relief loan program for homeowners will provide funding to repair weather damaged properties at a fixed interest rate of five percent over ten-years.

“The program for farmers is designed to help them recover from recent weather related damage to land or property and give them the ability to restructure their debt with a fixed interest rate loan at 5.50 percent over five years,” said Roger Johnson, Agriculture Commissioner.

The disaster loan program for business owners will provide borrowers with financing over five years

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at a fixed interest rate of 5.50 percent to replace or repair equipment and real estate, and to replenish working capital.

Attorney General Wayne Stenehjem stated, “The business disaster loan program also provides relief to the borrower by lowering their interest rate and providing options for reamortization of the loan term. All of the disaster loan programs will provide important assistance at a crucial time to residents whether they own a home, business or farm.”

The BND disaster relief loan programs will be available through December 31, 2005.

The nation’s only state-owned bank, BND was established in 1919 to encourage and promote agriculture, commerce and industry in North Dakota. BND is overseen by the Industrial Commission of North Dakota, consisting of Gov. John Hoeven as chairman, Attorney General Wayne Stenehjem, and Agriculture Commissioner Roger Johnson.

# BND Disaster Relief Loan Programs Fact Sheet

Residential Disaster Relief Loan Program	Farm Disaster Relief Loan Program	Business Disaster Relief Loan Program
<p><b>Purpose:</b> <i>This program is designed to provide low interest rate loans to homeowners that have incurred property damage caused by the recent weather related events.</i></p> <p><b>Applicant:</b> <i>Any North Dakota resident.</i></p> <p><b>Funding Limit:</b> <i>BND Loan Amount of \$12,000.</i></p> <p><b>Lead Lender:</b> <i>Any financial institution or Community Works of ND.</i></p> <p><b>Use of Proceeds:</b> <i>Replacement or repair of property damaged by flooding.</i></p> <p><b>Interest Rate:</b> <i>Fixed at 5% for 10 years.</i></p> <p><b>Loan Terms:</b> <i>Monthly amortized payments, 10 year loan term.</i></p> <p><b>Collateral:</b> <i>BND will file a mortgage on the subject property. An appraisal will not be required.</i></p> <p><b>Eligibility:</b> <i>A copy of a "Needs Analysis" showing financial hardship completed by the ND Department of Emergency Services.</i></p>	<p><b>Purpose:</b> <i>This program is designed to allow North Dakota farmers impacted by the recent weather related events the ability to restructure their debt with low cost rates.</i></p> <p><b>Applicant:</b> <i>Any North Dakota farmer.</i></p> <p><b>Funding Limit:</b> <i>BND Maximum Participation Amount of \$500,000. BND will participate up to a maximum of 75% of the loan.</i></p> <p><b>Lead Lender:</b> <i>Any financial institution.</i></p> <p><b>Use of Proceeds:</b> <i>Refinance term debt or amortize operating carryover.</i></p> <p><b>Interest Rate:</b> <i>Fixed at 5.50% for 5 years.</i></p> <p><b>Loan Terms:</b> <i>Up to a 10 year amortization with 5 year balloon on Chattels. Up to a 25 year amortization with 5 year balloon on Real Estate.</i></p> <p><b>Collateral:</b> <i>Maximum loan to value ratio of 75% on Chattels. Maximum loan to value ratio of 75% on Real Estate.</i></p> <p><b>Eligibility:</b> <i>Applicant must have a farming operation in a North Dakota county that has been declared a federal disaster area.</i></p>	<p><b>Purpose:</b> <i>This program is designed to provide financial relief to North Dakota businesses impacted by the recent weather related events. This program will provide borrowers with financing to replace or repair equipment and real estate, and to replenish working capital. It will also provide relief to the borrower by lowering their interest rate and providing options for reamortization of the loan term.</i></p> <p><b>Applicant:</b> <i>Any North Dakota business.</i></p> <p><b>Funding Limit:</b> <i>BND Maximum Participation Amount of \$500,000. BND will participate up to a maximum of 75% of the loan.</i></p> <p><b>Lead Lender:</b> <i>Any financial institution.</i></p> <p><b>Use of Proceeds:</b> <i>For replacement or repair of equipment and real estate, and to replenish working capital. Restructuring of existing bank term loans.</i></p> <p><b>Interest Rate:</b> <i>Fixed at 5.50% for 5 years.</i></p> <p><b>Loan Terms:</b> <i>Option of interest only for 6 months with the possibility of increasing the loan amortization from the existing structure, to be dealt with on a case by case basis.</i></p> <p><b>Collateral:</b> <i>Loan must be adequately secured.</i></p> <p><b>Eligibility:</b> <i>A copy of a "Needs Analysis" showing financial hardship completed by Small Business Administration will be required and can be obtained by contacting the County Emergency Manager.</i></p>

**All disaster relief loan programs listed on this page will be available through 12/31/05.**