



INDUSTRIAL COMMISSION OF NORTH DAKOTA

Doug Burgum
Governor

Wayne Stenehjem
Attorney General

Doug Goehring
Agriculture Commissioner

NEWSEWS

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Bank of North Dakota expands loan options for tech firms

BISMARCK – The Industrial Commission approved a Bank of North Dakota (BND) request to expand the parameters of the Accelerated Growth Loan Program. The expansion enables technology companies to utilize an increased amount of monthly recurring revenues as a repayment source that allows the loan limit to grow with the company. In addition, BND is increasing its allocation of available funding from \$28,000,000 to \$47,000,000 in support of the program. The goal is to create an avenue for North Dakota technology companies to access local, lower cost financing.

“The recent series of events impacting our state reinforces the importance of economic diversification,” said members of the Commission in a joint statement. “We are committed to exploring and supporting new opportunities that lead to economic vitality in North Dakota.” The Commission, consisting of Gov. Doug Burgum as chairman, Attorney General Wayne Stenehjem, and Agriculture Commissioner Doug Goehring, oversees the Bank of North Dakota.

When established in 2017, the goal of the Program was to provide a bridge loan to established technology companies experiencing a one-time event that dictated a need for immediate access to working capital. Earlier this year, during a roundtable discussion, North Dakota technology companies brought the idea of expanding program parameters to include recurring revenues to BND.

Technology companies, while having positive cash flow, struggle to secure working capital and lines of credit due to limited assets available for securitization. To gain access to working capital, technology companies utilize specialized lenders that charge an interest rate above 10%, well beyond normal bank financing rates. Under the terms of the Accelerated Growth Loan Program, technology companies are able to take advantage of the variable rate loan set at 2% above Prime, which in today’s environment is 5.25%.

“We continuously review our programs to ensure they evolve to meet the state’s needs,” stated Eric Hardmeyer, BND president. “This is another example of the business sector bringing something to our attention, and BND responding with a financial solution.”

For more details on the Accelerated Growth Loan Program, visit www.bnd.nd.gov.

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