

COVID-19 PACE Recovery Program (CPRP)

Purpose

This program assists local financial institutions in providing low interest loans to support North Dakota businesses in their economic recovery due to negative impacts from the COVID-19 pandemic.

Applications will be accepted through November 30, 2020.

Eligibility

The borrower can be any person or entity whose business is located in North Dakota.

The business must have capacity or history of showing it can service debt before February 15, 2020. The local lender determines if the applicant's business has incurred economic injury as a result of the COVID-19 Pandemic.

Use of Proceeds

Proceeds may be used to support working capital needs in the state of North Dakota.

Loan funds may **not** be used:

- For capital purchases or business expansion
- To refinance any existing debt
- For the relocation of the business

Loan Limit / Amount

- For businesses of 500 or fewer employees: Maximum loan amount is the lesser of \$5,000,000 or six months of operating expenses plus interest
- For businesses of 501 employees or more: Maximum loan amount is the lesser of \$10,000,000 or six months of operating expenses plus interest
- Maximum buydown amount from BND is \$500,000 per biennium, per borrower. Borrower is defined as: An individual, corporation, limited liability company, partnership, association or any combination of these if there is common ownership.



BND 
Bank of North Dakota

Interest Rate and Fees

Interest rate will be fixed at 3.75% for up to five years . BND to net 3.50%. The lead lender to retain a 0.25% service fee. Borrower will receive a 1% interest rate for the term of the buydown or until buydown funding is exhausted.

The buydown of the interest rate to 1% will only occur on permanent financing.

Collateral

BND must share in collateral with the lead lender, and on a pro-rate basis at time of liquidation.

Participation Requirements

BND may take not less than 50% or more than 80% of the total loan amount as its participation percentage. Standard underwriting procedures will apply to all loans.

Buydown Requirements

Upon conversion to term, loan will receive interest rate buydown to 1% for a maximum of five years or until such time the buydown dollars are fully expended. A community match, jobs or investment requirements portion are not required.

Loan Terms

- At the discretion of the lead lender, principal and interest payments may be deferred for up to six months or the borrower may make interest-only payments for up to six months.
- After the deferral or interest-only period, the remaining loan balance will term out as a CPRP loan with up to a 10-year amortization with a 5-year balloon.

Lending Criteria

Lead lender should utilize normal underwriting procedures with consideration given to the current pandemic.

How to Apply

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

