

BND Livestock Drought Loan Program

Eligibility

The borrower must be a North Dakota resident or North Dakota family farm entity who is an active livestock producer or a landowner renting pasture for livestock feeding in North Dakota.

Use of proceeds

The program may be used for ALL ag-related expenses as a result of the 2021 drought's impact on livestock and feedstock, including, but not limited to:

- Production or purchase of feed
- Transportation of feed or livestock
- Obtaining water for livestock (drilling a well, piping, hauling and/or any additional costs)
- Forage and seed costs
- Fencing expenses
- Cover crops
- Silaging costs
- Insecticide costs
- Bedding

Loan amounts/limits

BND will participate up to a maximum of 90 percent of the total loan amount. BND's maximum participation amount is \$250,000. Standard underwriting procedures will apply to all loans.

Interest rates and fees

The interest rate will be fixed at 3.5 percent for up to five years. BND to net 3.25 percent. The lead lender to retain a 0.25 percent service fee. The interest rate charged on the lead lender's share of the loan may be determined by the lead lender. BND receives a \$250 origination fee.

Collateral

Adequate collateral coverage will be required. Collateral to be shared prorata, or if the loan to liquidated value is at 120 percent or less based on BND's advance rates, a second lien on chattels may be acceptable. For collateral purposes, any Farm Service Agency (FSA) loan may require FSA subordination.

Participation requirements

Any financial institution in North Dakota can be the lead lender. BND will participate up to 90 percent of the total loan amount. The lead lender will service the loan.

Loan terms

This loan has up to a five-year term. At the discretion of the originating lender, payments may be interest only for up to 12 months, then convert to principal and interest payments amortized over the remaining term. Loan may be a line of credit that converts to a term loan after 12 months.

How to apply

All applications must be submitted by a local lender. Please contact your local lender to initiate the loan application with BND. Applications will be accepted until June 30, 2022.

BND Livestock Loan Rebuilder Program

Eligibility

The borrower must be a North Dakota resident or North Dakota family farm entity who is a livestock producer.

Use of proceeds

The program may be used to purchase breeding stock.

Loan amounts/limits

BND will participate up to a maximum of 90 percent of the total loan amount. BND's maximum participation amount is \$250,000. Standing underwriting procedures will apply to all loans.

Interest rates and fees

Fixed rate option: The interest rate will be fixed at 3.5 percent for up to seven years. BND to net 3.25 percent. The lead lender to retain a 0.25 percent service fee. Variable rate option: Interest rate will be variable at BND Base minus 0.75 percent, adjusting monthly through maturity. BND to net BND Base minus 1 percent. The lead lender rate includes a 0.25 percent service fee. Rate floor of 2.5 percent. Lead Lender Rate: The interest rate charged on the lead lender's share of the loan may be determined by the lead lender. Fees: BND receives a \$250 origination fee.

Collateral

Maximum loan to value of 75 percent on all chattels. Valuation is based on average market prices. Collateral to be shared prorata, or if the loan to liquidated value is at 120 percent or less based on BND's advance rates, a second lien on chattels may be acceptable. For collateral purposes, any FSA loan will require FSA subordination.

Participation requirements

BND will participate up to 75 percent of the total loan amount, not to exceed a maximum participation of \$500,000. Standard underwriting procedures will apply to all loans.

Loan terms

This loan has up to a seven-year term. At the discretion of the originating lender, payments may be interest only for up to two years, then convert to principal and interest amortized over the remaining term. Total repayment term, including an interest-only period, not to exceed seven years. Average age of livestock being financed should be considered in determining the amortization period.

How to apply

All applications must be submitted by a local lender. Please contact your local lender to initiate the loan application with BND. Applications will be accepted until June 30, 2023.