



Bank of North Dakota

## Water Development Loan Options

**Community Water Facility Revolving Loan Fund – Direct** -The fund was established to provide financing for community water projects when the project is above the maximum loan limits set by RD. It is also the intent of this program to provide supplemental financing for federal loan programs associated with community water projects. Loans from this fund are made in accordance with N.D.C.C. Chapter 6-09.5.

The fund was established by the North Dakota legislature. Monies are used primarily for supplementary financing in conjunction with the USDA Rural Development (RD) for community water projects.

Eligible applicants are cities, associations, cooperatives and corporations operated on a nonprofit basis who have the legal authority to construct, operate and maintain water facilities. These entities should also show the ability to repay the loan in accordance with the RD requirements. An application may be made directly to the state office of Rural Development. Applications approved by RD are forwarded to BND for review and approval.

- The interest rate on a loan from this fund is 3%.
- This fund has assets of \$22 million and availability of loan dollars of \$1.8 million.

**State Institution - Direct** - BND can lend to any State agency with legislative authority to borrow from the bank.

- The loans are generally priced on a margin over LIBOR, are variable monthly, and have a floor rate of 2%.

**WAWSA Model - Direct** - Political Subdivision given specific borrowing authority by the State Legislature.

- Rate, terms, and loan amounts were set per HB 1206.

**Bank Participation** - BND can participate with a local lender on any type of water project financing.

- Rate and terms vary and will be determined on a case by case basis.

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