U.S. Department of the Treasury

# State Small Business Credit Initiative (SSBCI)
# APPLICATION

Applicants must complete and submit this application form, relevant attachments, and the signature form on or before 5:00 pm ET June 27, 2011, to Treasury. The completed application and relevant attachments must be saved and emailed to SSBCIapplications@treasury.gov. Applicants should use the attachments provided to facilitate submission of supplemental information as required by certain sections below. For questions pertaining to any program terms used in this application form or appropriate methods by which to validate responses to the questions below, please consult the Application Instructions and the SSBCI Policy Guidelines. Central Contractor Registration (CCR) is required for all applicants. To register, go to www.ccr.gov/startregistration.asp.

For the purposes of this application, the term "Applicant" shall include all States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of Northern Mariana Islands, Guam, American Samoa, and the United States Virgin Islands, and under the circumstances described in title III, section 3004(d) of the Small Business Jobs Act of 2010 (P.L. 111-240) (the "Act"), a municipality of a State of the United States to which the Act has given a special permission under section 3004(d) of the Act.

## Section 1: Applicant Information

***1A.*** *Enter the name of the Applicant:* City of Mandan and Co-Applicants

***1B.*** *Enter information below about the specific department, agency, or political subdivision of the Applicant that has been designated to implement the program(s) described in this application. Attach letter of designation from the governor of the State, or the chief executive of the territory or municipality. This letter must expressly state that the governor or chief executive has designated the department, agency or political subdivision named below to accept the SSBCI allocated funds on behalf of the State, territory or municipality; the entity designated below will implement the State program(s) and oversee the State program(s), and the entity designated below has all legal authority to enter into an Allocation Agreement with the Treasury.*

Organization Name: City of Mandan Business Development & Communications Department

*Check one of the following boxes as appropriate for the organization:*

- ☐ State Department or Agency
- ☑ Municipality
- ☐ Other Political Subdivision

Organizational DUNS: 78-820-6878 Registration Active in CCR: ☑ Yes ☐ No

Employer/Taxpayer Identification Number (EIN/TIN): 45-6002118

Authorized Official's Name: Timothy Helbling Title: Mayor

Street Address: 205 2nd Avenue NW City: Mandan

State: ND Zip Code: 58554

***1C.*** *Name and contact information of person to be contacted on matters concerning this application.*

Name : Ellen Huber Title: Business Development Director

Email: ehuber@cityofmandan.com Phone: (701) 667-3485

***1D.*** *Contracting Entity. Complete this Section if the organization(s) or /entity(ies) administering one or more of the programs described in this application are different from Applicant listed in Section 1B. Space is provided below for applicants to enter information for up to four (4) such organizations/entities. Use the attachment for Section 1D to submit the information below for any additional organization/entity.*

1. Name of Contracting Entity: Lewis and Clark Reg. Dev. Cnl. Program Name: Loan Participation Program

*Indicate (by checking the appropriate box below) if such entity is:*

- ☐ Agency or Department of another State
- ☐ For-profit Entity Supervised by State
- ☑ Non-profit Entity Supervised by State

| | | | |
|---|---|---|---|
| Name of Authorized Official: | Paul Rechlin | Title: | Executive Director |
| Street Address: | 200 1st Avenue NW | City: | Mandan |
| State: | ND | Zip Code: | 58554 |

*Enter contact person information below:*

| | | | |
|---|---|---|---|
| Name: | Brent Ekstrom | Title: | Director of Commercial Lending |
| Email: | bekstrom@lewisandclarkrdc.org | Phone: | (701) 667-7624 |

2. Name of Contracting Entity: _____ Program Name: _____

*Indicate (by checking the appropriate box below) if such entity is:*

- ☐ Agency or Department of another State
- ☐ For-profit Entity Supervised by State
- ☐ Non-profit Entity Supervised by State

| | | | |
|---|---|---|---|
| Name of Authorized Official: | | Title: | |
| Street Address: | | City: | |
| State: | | Zip Code: | |

*Enter contact person information below:*

| | | | |
|---|---|---|---|
| Name: | | Title: | |
| Email: | | Phone: | |

**1E.** *Have all legal actions been taken pursuant to applicable State laws that are necessary to enable the designee to implement the Applicant program(s) described herein? Check the appropriate box.*

- ☐ No – Do not continue with this application
- ☑ Yes – Please attach a narrative describing the necessary legal actions that have been or need to be taken. The narrative should confirm that (1) the entity is legally capable to bind the State, territory or municipality to obligations with the Federal Government; and (2) the legal mechanisms are in place for the State, territory, or municipality to accept the transfer of SSBCI funds and deliver funds to the entity designated in Section 1B.

## Section 2: Amount Requested

**2A.** *Enter the total amount of SSBCI funds requested. Do not exceed the amount allocated by Treasury under Act to the State, territory or municipality.*

Amount: $13,168,350

**2B.** *Will all or part of the requested amount be used as collateral for a qualifying loan or swap funding facility?*

☐ Yes, all of the requested amount ☐ Yes, part of the requested amount ☑ No

*If yes, provide the following information:*

Amount of funding: _____

Name(s) of private financial entity(s): _____

*Attach commitment letter from source of financing. If commitment letter is unavailable, use the attachment for Section 2B to describe the items and structure of the transaction. The description should not exceed 1 page.*

**2C.** *If applying for more than one program enter the information below for each program (use the attachment for Section 2C if more space is needed for additional programs):*

| | | | | |
|---|---|---|---|---|
| 1. Name of Program: | Loan Participation Program | ☐ CAP | ☑ OCSP | Amount Requested: $13,168,350 |
| 2. Name of Program: | | ☐ CAP | ☐ OCSP | Amount Requested: |
| 3. Name of Program: | | ☐ CAP | ☐ OCSP | Amount Requested: |
| 4. Name of Program: | | ☐ CAP | ☐ OCSP | Amount Requested: |
| 5. Name of Program: | | ☐ CAP | ☐ OCSP | Amount Requested: |

**2D.** *For both CAPs and OCSPs, use attachment for Section 2D to indicate how the Applicant plans to use SSBCI funds to provide access to capital for small businesses (1) in low- and moderate-income communities, (2) in minority communities, (3) in other underserved communities, and to (4) women- and minority-owned small businesses. The Applicant's plans must include a narrative on how the Applicant will monitor the performance of its plans to provide access to capital to small businesses meeting these criteria.*

**Section 3: Capital Access Program (CAP)**. Complete this Section if applying for SSBCI funds to use for a CAP

**3A.** *Confirm by checking the boxes below that the Applicant's CAP satisfies each of the 4 criteria. Applicants should use the attachment for Section 3A to describe the CAP and explain how the CAP meets each criterion. Documentation should not exceed 5 pages.*

- ☐ Provides portfolio insurance for business loans based on a separate loan-loss reserve fund for each financial institution.
- ☐ Requires insurance premiums to be paid by participating financial institution lenders and by the business borrowers to the CAP-created reserve fund to have their loans enrolled in such reserve fund.
- ☐ Provides for contributions to be made by the State to the CAP-created reserve fund in amounts at least equal to the sum of the amount of the insurance premium charges paid by the borrower and the financial institution to the reserve fund for any newly enrolled loan.
- ☐ Provides portfolio insurance solely for loans that meet both the following requirements: (a) The borrower has 500 employees (as defined at 13 C.F.R. Part 121.106) or less at the time that the loan is enrolled in the CAP and (b) the loan amount does not exceed $5,000,000.

**3B.** *Lender capital at-risk criteria: For loans made under Applicant CAP programs where financial institution lenders bear less than 20% risk of loss, use the attachment for Section 3B to articulate exceptional circumstances as to why the financial institution lender is unable to bear a greater share of the risk.*

**3C.** *Is the Applicant's CAP a new program or an existing program? Check the appropriate box.*

☐ New, beginning with SSBCI ☐ Existing

**3D**. *Enrolled loan data: Applicants establishing new programs will be required to provide detailed assumptions for their estimates of total enrolled loans, total loan amounts and the estimated total Federal contributions over the lifespan of the SSBCI. Applicants with existing programs should provide historical data for total enrolled loans, total loan amounts, and total public subsidies for these loans, and use this historical data to estimate total enrolled loans, total loan amounts, and the estimated total Federal contributions over the lifespan of SSBCI. Applicants should use the attachment for Section 3D to provide these estimates.*

**Section 4: Other Credit Support Programs (OCSP)**. Complete this Section if applying for SSBCI funds to use for a State Other Credit Support Program

**4A.** *Check all types of OCSPs for which the application applies and use the attachment for Section 4A to provide a narrative statement describing each program. Statement should include (1) background of the program; (2) summary of program guidelines; (3) historical performance of the program (for existing programs); and (4) expected performance of the program. Narrative statement must not exceed 3 pages for each OCSP.*

- ☑ Loan participation program (may be structured in the form of a loan purchase or companion loan transaction).
- ☐ Applicant-run venture capital fund program.
- ☐ Credit guarantee program.
- ☐ Other types of credit support programs that use public resources to promote private access to credit, are not a CAP, and meet the eligibility criteria for OCSPs.

**4B.** *Confirm by checking each box below (box 3 should only be checked if it is applicable) that each program checked in Section 4A, above, satisfies the following criteria:*

- ☑ At a minimum, $1 of public investment by the State OCSP will cause and result in $1 of new private credit.
- ☑ The Applicant has a reasonable expectation that, when considered with all other Applicant programs, such Applicant programs together have the ability to use amounts of new Federal contributions to, or for the account of, all such programs to cause new small business lending at least 10 times the SSBCI contributed Federal amount.
- ☑ If the Applicant OCSP provides credit support through a financial institution lender or through a non-financial institution lender or investor, the financial institution lender (or, if applicable, the non-financial institution lender or investor) has a meaningful amount of its own capital resources at risk in the loan or investment to the eligible small business. The term "meaningful capital" may vary for different programs. Guidelines for CAPs and OCSPs are contained in the SSBCI Policy Guidelines. For instances where financial institution lender(s) bear less that 20% risk of loss, Applicants should use the attachment for Section 4B to articulate exceptional circumstances as to why the financial institution lender is unable to bear a greater share of the risk.
- ☑ The OCSP provides credit support that meets all the following requirements: (1) targets an average borrower size of 500 employees or less*; (2) does not extend support to borrowers that have more than 750 employees; (3) targets support towards loans with an average principal amount of $5,000,000 or less; and (4) does not extend credit support to loans that exceed a principal amount of $20,000,000.

  * The definition at 13 C.F.R. Part 121.106 should be used to calculate the number of employees.

**4C.** *Leverage calculations: Provide an attachment showing the calculation and the assumptions for the first two boxes above. If the Applicant expects to achieve the 10:1 private leveraging target through subsequent private financing to the small businesses over time, the attachment should show the expected private leverage year-by-year and cumulatively through December 31, 2016, the last date through which Applicants are expected to report program performance. Please refer to the SSBCI Program Guidelines for examples.*

**4D.** *Is the OCSP a new program or an existing program? Check the appropriate box.*

☑ New, beginning with SSBCI ☐ Existing

**4E**. *Provide documentation (use the attachment for Section 4E) describing the anticipated benefits from each OCSP to the (a) State, (b) its businesses, (c) its residents, and (d) describe the extent to which resulting small business lending will expand economic opportunities. For Loan Guarantee Programs, States must provide detailed assumptions concerning estimated number of loans and estimated loan amounts during the course of the SSBCI. States that are enacting new Collateral Support Programs should present detailed assumptions concerning estimated loan volume and overall Federal collateral support used for such loans. Documentation should not exceed 5 pages. The metrics used should include, but need not be limited to:*

- *Jobs created*
- *The number and value of new OCSP small business loans*
- *Increase in sales, income or other tax revenues paid by businesses or employees*

**4F.** *Provide documentation (use the attachment for Section 4F) for each OCSP describing (1) operational capacity, (2) skills, and (3) experience of the management team of the State OCSP. Documentation should not exceed 5 pages. The metrics used should include, but need not be limited to:*

- *Qualifications and financial industry experience of senior management*
- *Experience of senior management in operating CAPs or OCSPs*
- *Adoption of industry best practices (e.g., use of risk management strategies employed by analogous successful programs)*

**4G.** *Provide documentation (Applicants should use the attachment for Section 4G) for each OCSP describing the capacity of OCSP staff to manage increases in the volume of its small business lending. Documentation should not exceed 2 pages. Evidence cited should include, but need not be limited to:*

- *Financial strength*
- *Operational capacity*

**4H.** *Provide documentation (Applicants should use the attachment for Section 4H) for each OCSP describing the internal accounting and administrative controls systems used by the OCSP staff and the means they use to safeguard against (a) waste, (b) loss, (c) unauthorized use, and (d) misappropriation. This description should not exceed 3 pages. If available, evidence cited should include, but need not be limited to:*

- *Periodic internal audits*
- *Annual independent audits (including management letters)*
- *Program financial statements current within the last 6 months.*
- *Accounting and financial reporting system compliant with OMB Circular A-127*

*In addition, if available, the Applicant must attach a copy of the most recent independent financial audit or program financial statements for each OCSP, dated within the last six months. If no independent financial audit or program financial statements exist for the OCSP, then the Applicant must attach a copy of the independent financial audit or program financial statements, dated within the last six months, for the entity implementing each OCSP as identified in the response to Section 1B or 1D of the application.*

**Section 5: Compliance**.

**5A.** *Check any or all of the boxes below to indicate how the Applicant plans to staff oversight of compliance activities?*

☑ Current Staff
☐ New Staff
☑ Contract Staff

**5B.** *Provide a narrative statement (Applicants should use the attachment for Section 5B) describing what reporting mechanisms, audits, or other activities (a) the Applicants has in place or (b) need to be implemented to enable the Applicant to conduct oversight and meet annual reporting requirements for the proposed programs. Documentation should not exceed 3 pages.*

Applicants must save the completed PDF application and attachments and email to SSBCIapplications@treasury.gov

Applicants must complete, sign, and email the signature page with the application and attachments.