



Requesting Support from the Mandan City Commission for an Interest Buydown

Background

The North Dakota Opportunity Fund leverages private financing to help new and expanding businesses attain needed loans. Mandan is part of a consortium of 38 North Dakota municipalities that received funding for the loan participation program through the U.S. Treasury Department.

The North Dakota Opportunity Fund Loan Committee will consider applications for loans for the required community share of an interest buydown through the Bank of North Dakota PACE and Flex PACE programs. The loan committee needs to receive documentation of community support for use of an interest buydown to assist the particular business or project. This requirement is in place because policies for incentives for various types of businesses and projects vary from community to community. A letter from a city commission or council confirms that a business project provides community benefit and has the support of the governing entity.

Procedure for Seeking a Letter of Support

Following are guidelines for requesting a letter of support from the Mandan City Commission for application for a loan from the N.D. Opportunity Fund to cover the 35% required community share of an interest buydown.

The borrower should submit the following information to the City of Mandan Business Development Director at least one week prior to a City Commission meeting:

- A letter addressed to the Mandan City Commission requesting support for the provision of the required community match for an interest buydown from the N.D. Opportunity Fund.
- A one-page summary of the project:
 - business description — ownership, products or services provided, years in business, etc.
 - project description — address for project, costs, the intended use of loan proceeds such as expansion, new construction, leasehold buildout, equipment, etc.
 - explanation of community benefits —total investment in the proposed project, number of jobs created or retained, expansion of an existing business or the start of a new business, and any other information that will be helpful to decision makers.
- A commitment letter or conditional letter of approval for the loan from the lead lender. The letter should indicate the loan amount, interest rate and term of the loan.
- Bank of North Dakota Exhibit A (interest buydown schedule).

Note: The Mandan City Commission meets the first and third Tuesdays of each month.

Requests should be submitted to the City of Mandan Business Development Department located at Mandan City Hall, 205 Second Avenue NW, Mandan, ND 58554 or by email to madison.cermak@cityofmandan.com. Questions? Call 701-667-3485.