

# NORTH DAKOTA RURAL WATER FINANCE CORPORATION INTERIM FINANCING PROGRAM FACT SHEET

## Basic Qualifications:

1. Must be a political subdivision.
2. Must have Letter of Conditions and Commitment Letter from Rural Development (RD).
3. Loans made through the Bank of North Dakota's (BND) Community Water Facilities Revolving Loan Fund (CWFRFL) are now eligible for this program.

## Loan Process:

1. Pre-Application Phase: Obtain commitment from RD for permanent bond financing.
2. Application Phase: Obtain application from NDRWFC, complete and return with RD Letter of Conditions.
3. Loan Approval Phase: NDRWFC will approve loans contingent upon execution of final loan agreement and RD Commitment Letter.
4. Loan Agreement Phase: Complete and return loan agreement. Must retain Bond Counsel who will assist during this phase.
5. Disbursement Phase: Request funds from Trustee bank.
6. Loan Payoff Phase: Once the project is complete, payoff will be made to NDRWFC by the borrower with RD Bond funds.

## Loan Terms:

1. Current Loan Rate: 2.50%
2. Estimated rate of borrowing after investment earnings credit and final rebate: 1.25% - 2.25%. Last program year, the NDRWFC rebated **\$95,300** to participants. These rebates represented 25.6% of the borrower's net interest.
3. The effective cost of a loan through the NDRWFC last program year was **1.80%**.
4. Loan limit: The only limit is the amount of loan dollars approved by RD in its Letter of Conditions.
5. Capitalized interest: All interest is capitalized per RD budget.
6. Payoff: Your loan is repaid when your project is complete and final closing for the long term financing is completed by RD.

## Contact Information:

Eric Volk, Executive Director  
North Dakota Rural Water Systems Association  
2718 Gateway Avenue, Suite #201  
Bismarck, ND 58503-0585  
800-349-6951  
ericvolk@ndrw.org