

Capital Financing Program – Disaster Financing

Purpose:

This program provides disaster assistance to political subdivisions affected by weather related or other emergency events until (i) federal and state money is available; (ii) local matching funds are available; or (iii) local funds are available to pay the related costs of local government operations.

Applicant:

Any North Dakota political subdivision with borrowing authority that is within a county that has received a Presidential Public Disaster Declaration or a gubernatorial executive order or proclamation of a state disaster or emergency.

Lender:

Public Finance Authority. The process requires the political subdivision to submit a Capital Financing Program Disaster Financing application to the PFA. Approval is subject to credit review and approval by the PFA Advisory Committee and when applicable, the Industrial Commission.

Use of Proceeds:

To provide a short term loan to an eligible political subdivision for operating or capital purposes while the entity is waiting for (i) reimbursement from either the federal or state government; (ii) receipt of local tax revenues required to meet local matching funds requirements; or (iii) receipt of local tax revenues to pay related costs of local government operations.

Terms:

The terms of the bonds will be flexible maturities of five years or less. The interest rate is the 1-month FHLB + 1.9% adjusted monthly with a floor of 2.25%.

Fees:

Bond counsel fees are the responsibility of the borrower.

Collateral:

The political subdivision must show ability to repay the financing either from Federal or State government disaster payments or from tax receipts.

Documentation:

Documentation to be satisfactory to the Public Finance Authority. A bond counsel opinion will be required.