



COVID-19 PACE Recovery II Program (CPR II)

Purpose

The COVID-19 PACE Recovery II (CPR II) Program assists North Dakota businesses impacted by the COVID-19 pandemic. The program will provide a buydown on interest expense accrued on eligible existing debt from April 1, 2020 through September 30, 2020.

Eligibility

The applicant can be any person or entity whose business: :

- had a physical location in North Dakota as of March 13, 2020.
- was current on all financial obligations as of March 13, 2020.
- sustained a minimum 20% year-over-year gross revenue loss for North Dakota-based operations between April 1, 2019 and September 30, 2019 and the same time period in 2020.
- have a financial institution certify to BND that the applicant's business has incurred the minimum economic injury as a result of pandemic.

Agri-businesses are eligible. Ag producers are not eligible.

Use of Proceeds

Proceeds shall be used to buy down interest that accrued on existing business debt from April 1, 2020 to September 30, 2020. Eligible business debt includes all debt with the exception of owner or shareholder debt and related entity debt.

Buydown Limit

The maximum amount of buydown is the total of eligible interest expense accrued by a qualifying applicant between April 1, 2020 and September 30, 2020 or \$50,000, whichever is less. Buydown received from other BND buydown programs shall be excluded from eligible interest.

If separate applicants with common ownership amounts of 51% or more apply, these applicants must be labeled as and considered to have common ownership. The maximum buydown allocated for all entities designated as common ownership is \$50,000.

Year-over-year Gross Revenue Percentage Loss

The formula for determining year-over-year gross revenue percentage loss is:

- North Dakota-based Total gross revenue April 1-Sept. 30, 2019 **(a)**
- North Dakota-based Total gross revenue April 1-Sept. 30, 2020 (estimate if needed) **(b)**
- Subtract Total gross revenue April 1-Sept. 30, 2020 **(b)** from total gross revenue April 1-Sept. 30, 2019 **(a)** = Loss in revenues **(c)**
- Divide the Loss in revenues **(c)** by the Total gross revenue April 1-Sept. 30, 2019 **(a)** for year-over-year gross revenue percentage loss

Eligible Buydown Amount

Determine total interest expense accrued from April 1, 2020 to September 30, 2020.

Fees

- There are no fees for the applicant.
- BND will pay a one-time service fee to the financial institution of \$250 for each application allocated buydown.

Buydown Allocation Timeline

- Applications will be received from 8 a.m. October 1 to 5 p.m. October 30, 2020.
- On November 2, 2020, all eligible applications will be ranked by BND from highest to lowest percentage loss in gross revenues from April 1, 2020 to September 30, 2020 as compared to the gross revenues from April 1, 2019 to September 30, 2019. BND understands that applicant may need to use a projection for September 2020 if books are not closed in time to meet the application deadline.
- BND will provide buydown to those applicants with the largest losses first and continue down the rankings until \$50,000,000 is exhausted. It is possible not all applicants will receive buydown.
- BND will notify financial institutions the week of November 2 which applicants were allocated buydown. Funds will be distributed as promptly as possible to financial institutions which will distribute to applicants.

How to Apply

Applicant must work with a financial institution to certify to BND that the applicant has incurred the minimum economic injury as a result of the COVID-19 pandemic.

FINANCIAL INSTITUTION AND APPLICANT(S) WILL CERTIFY ELIGIBILITY AND USE OF INTEREST BUYDOWN IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE CPR II PROGRAM.

Please contact your local lender to initiate an application with Bank of North Dakota.

