

# MONTANA

## BOARD OF INVESTMENTS

### Coronavirus Aid, Relief, and Economic Security Act

# CARES ACT REPORT



## OVERVIEW

The Montana Board of Investments was entrusted with \$125 million in Coronavirus Assistance, Relief and Economic Security (CARES) Act funds in June 2020. These funds were used to finance two business assistance programs: the Montana Loan Deferment Program and the Montana Working Capital Program. These programs:

- focused on the most impacted,
- complemented, not duplicated, other state and federal programs,
- processed and funded grants quickly,
- leveraged funds with an overall average of 3:1,
- assisted businesses to adapt for the long-term ensuring future economic growth.

Most importantly, the programs were easy to use, simple to understand, and quick to respond.

“These innovative and creative loan programs provided vital support to our customers at a critical time giving them the financial support they need to remain open and in-business.”

– Bill Bickle, Chief Credit Officer,  
Stockman Bank

# MONTANA LOAN DEFERMENT PROGRAM

The Montana Loan Deferment Program focused on helping Montana businesses that incurred economic injury as a result of the COVID-19 pandemic. The Montana Loan Deferment Program was facilitated through partnership with Montana banks, credit unions, lending institutions and certified regional development corporations with the Board of Investments. Funds were used to provide payments to participating Lenders to convert existing commercial loans to interest only status. This allowed an existing Borrower to defer principal and interest payments on existing loans for a period of 6 to 12 months freeing up a significant amount of otherwise-dedicated capital for the Borrower on a monthly basis.

“ This was a perfect example of a public-private partnership, working together to ensure that Montanans have the resources they need at such a critical time.”

– Tracie Kenyon, President/CEO, Montana's Credit Unions

The Hospitality and Capital Assistance Program was created based on feedback from large Montana employers who needed help beyond the \$150,000 maximum grant in the Deferred Payment Program. In this case, Borrowers could have 80% of their interest expense of the deferment paid.

## LOAN DEFERMENT FINAL REPORT

APPLICATIONS RECEIVED	APPLICATIONS APPROVED	FUNDS REQUESTED	FUNDS AWARDED	FINANCIAL BENEFIT
DEFERRED PAYMENT PROGRAM: 1,434	DEFERRED PAYMENT PROGRAM: 1,288	DEFERRED PAYMENT PROGRAM: \$34,076,335.49	DEFERRED PAYMENT PROGRAM: \$30,030,886.06	DEFERRED PAYMENT PROGRAM: \$103,751,514.07
HOSPITALITY AND CAPITAL ASSISTANCE PROGRAM: 75	HOSPITALITY AND CAPITAL ASSISTANCE PROGRAM: 75	HOSPITALITY AND CAPITAL ASSISTANCE PROGRAM: \$16,666,340.85	HOSPITALITY AND CAPITAL ASSISTANCE PROGRAM: \$16,666,340.85	HOSPITALITY AND CAPITAL ASSISTANCE PROGRAM: \$37,085,116.46
<b>TOTAL: 1,509</b>	<b>TOTAL: 1,363</b>	<b>TOTAL: \$50,742,676.34</b>	<b>TOTAL: \$46,697,226.91</b>	<b>TOTAL: \$140,836,630.50</b>

# MONTANA WORKING CAPITAL PROGRAM

The Montana Working Capital Assistance Program was designed to aid Montana businesses that were negatively impacted by the COVID-19 pandemic. Funds were used to pay off 35% of a working capital loan.



“Working together with BOI, lenders in Montana were able to deliver life-saving measures to hundreds of businesses that are struggling due to no fault of their own. We appreciate the partnership that was forged with BOI during this unparalleled economic crisis.”

– Cary Hegreberg, President/CEO, Montana Bankers Association

## WORKING CAPITAL FINAL REPORT

**APPLICATIONS RECEIVED**

215

**APPLICATIONS APPROVED**

207

**FUNDS REQUESTED**

\$24,128,205.57

**FUNDS AWARDED**

\$23,125,172.36

**FINANCIAL BENEFIT**

\$80,968,922.07



“We are proud of how Montanans came together, to use federal CARES Act resources to create a financial lifeline, to save jobs and build a bridge to better days. Thank you!”

– Dennis Beams, EVP/Chief Credit Officer Glacier Bank

# COUNTY BREAKOUT

COUNTY	SUM OF FUNDS PAID	TOTAL BENEFIT TO BORROWER
BEAVERHEAD	\$70,887.34	\$242,193.25
BIG HORN	\$206,678.95	\$655,463.40
BLAINE	\$3,143.80	\$16,209.12
CARBON	\$328,350.21	\$733,885.81
CASCADE	\$6,887,774.09	\$20,148,493.72
CHOUTEAU	\$48,936.60	\$135,935.00
CUSTER	\$919,930.17	\$2,503,034.97
DANIELS	\$32,308.88	\$56,434.72
DAWSON	\$764,936.23	\$3,016,981.30
FALLON	\$376,495.63	\$1,202,736.03
FERGUS	\$1,013,204.68	\$3,231,977.06
FLATHEAD	\$5,553,985.27	\$18,872,342.88
GALLATIN	\$10,853,482.15	\$40,324,977.68
GLACIER	\$664,058.48	\$1,891,024.77
HILL	\$767,872.48	\$1,865,418.67
JEFFERSON	\$630,793.09	\$2,299,431.91
JUDITH BASIN	\$11,005.57	\$20,386.08
LAKE	\$894,735.33	\$2,336,787.22
LEWIS & CLARK	\$6,574,995.73	\$17,218,136.47
LIBERTY	\$55,068.14	\$189,594.36
LINCOLN	\$428,417.66	\$715,863.93
MADISON	\$222,338.51	\$1,144,625.31
MCCONE	\$9,807.42	\$17,720.77
MINERAL	\$67,206.89	\$87,418.39
MISSOULA	\$14,867,320.71	\$42,321,510.31
PARK	\$1,936,083.07	\$4,540,648.26
PHILLIPS	\$55,378.91	\$139,992.72
PONDERA	\$31,004.49	\$85,920.16
POWDER RIVER	\$72,000.00	\$200,000.00
POWELL	\$2,739.40	\$10,562.16
RAVALLI	\$447,857.78	\$2,049,060.45
RICHLAND	\$2,567,094.48	\$10,629,991.61
ROOSEVELT	\$226,202.88	\$606,440.00
ROSEBUD	\$64,362.89	\$167,833.80
SANDERS	\$259,885.02	\$736,362.19
SHERIDAN	\$320,925.63	\$1,095,191.72
SILVER BOW	\$2,528,157.49	\$9,638,947.23
STILLWATER	\$154,848.60	\$430,135.00
TETON	\$123,676.18	\$563,080.40
TOOLE	\$304,109.74	\$622,809.38
TREASURE	\$63,338.40	\$175,940.00
VALLEY	\$285,693.86	\$872,054.15
WHEATLAND	\$33,940.95	\$326,595.27
WIBAUX	\$11,175.50	\$18,715.44
YELLOWSTONE	\$8,080,190.01	\$27,646,689.50
<b>GRAND TOTAL</b>	<b>\$69,822,399.27</b>	<b>\$221,805,552.57</b>

# BUSINESS COMMUNITY RESPONSE

"MCT is very grateful for the MBOI loan. It allowed us to defer loan payments on new trucks for one year. Our fleet of more than 40 trucks enables us to tour in all 50 states, but due to COVID-19, we stopped touring in March and our fleet was grounded. We thus lost the revenue we would have used to make the truck loan payments. The program was a lifeline for MCT at a time of great need."

- Michael McGill, Missoula Children's Theatre

"Working with Wayne Nelson and his team at Stockman Bank allowed us to quickly apply and be approved for a Working Capital Loan with Montana Board of Investments. These funds will provide us with critical capital needed to maintain and grow our company through this challenging year."

- Brad Anderson, Anderson Management Group, Buffalo Wild Wings in Montana

"The Loan Deferment Program was a tremendous asset to our hotel operations during a time when business was severely reduced, and the future was bleak. I can say with no hesitation that without this program's financial assistance, many of my enterprises would not have survived. We were able to use funds freed up by this program to keep people employed longer, cover operating costs, and provide optimism and excitement about the recovery of our economy. This program allowed the hospitality sector an opportunity to leverage CARES Act funding with loan principal deferrals offered by Montana-based banks. This program and the coalition that was built should be a model for the rest of the country. The MBOI offered an enormously beneficial opportunity to many Main Street Businesses while garnering cooperation from a wide array of financial institutions. Our industry is forever grateful for the hard-work and determination that went into this effort."

- Mike Johnson, Management Consultants, Inc.

"For a business, the most difficult aspect of this pandemic is not being able to predict any sort of outcome. How will we sell product, who are our customers, now, and will we even be able to be open? Programs put forth, like the Loan Deferment and Working Capital, were tailor-made to keep Montana businesses viable. They allowed us to focus on the task at hand, providing needed services/products to our communities. These programs gave us the ability to keep staff employed and paid. They gave us hope that we will be able to slog through this difficult time. Well done, Montana and the CARES Act - thank you for supporting us!"

- Doug Mahlum, Great Falls Athletic Club dba Health & Wellness Center

"It has been an incredible challenge as a restaurateur navigating through Covid. This pandemic has ravaged our industry putting over 100,000 restaurants out of business to date. The CARES Act loan deferment program came at an opportune time providing essential funding to our business. The CARES Act loan has helped offset our \$180,000 monthly payroll and allowed us to keep over 100 employees employed since reopening in May. These funds also went along way to offset our large monthly rent and utility bills that combined amount to approximately \$25,000. Working with our banking team at First Interstate Bank was terrific and helped ease a very stressful process. They were there for us every step of the way working tirelessly on our behalf. We are so grateful to have a strong relationship with First Interstate Bank."

- Mark Tache', Montana Ale Works

# BUSINESS SECTOR

NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (NAICS) SECTOR	SUM OF FUNDS PAID	TOTAL BENEFIT TO BORROWER
ACCOMMODATION AND FOOD SERVICES	\$39,225,699.01	\$111,127,617.03
ADMINISTRATIVE AND SUPPORT AND WASTE MANAGEMENT AND REMEDIATION SERVICES	\$924,242.31	\$3,528,275.17
AGRICULTURE, FORESTRY, FISHING AND HUNTING (NOT COVERED IN ECONOMIC CENSUS)	\$714,865.25	\$1,931,696.50
ARTS, ENTERTAINMENT, AND RECREATION	\$4,720,729.99	\$15,927,333.58
CONSTRUCTION	\$1,281,852.63	\$6,220,123.80
EDUCATIONAL SERVICES	\$610,177.44	\$1,791,032.29
FINANCE AND INSURANCE	\$59,442.92	\$131,449.68
HEALTH CARE AND SOCIAL ASSISTANCE	\$950,634.88	\$2,729,808.72
INFORMATION	\$389,471.17	\$1,170,400.82
MANUFACTURING	\$3,052,756.23	\$9,915,128.05
MINING, QUARRYING, AND OIL AND GAS EXTRACTION	\$881,731.06	\$3,342,604.54
OTHER SERVICES (EXCEPT PUBLIC ADMINISTRATION)	\$2,518,028.90	\$7,892,631.88
PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES	\$928,730.33	\$5,861,177.39
REAL ESTATE AND RENTAL AND LEASING	\$8,000,463.44	\$21,689,157.78
RETAIL TRADE	\$2,751,810.02	\$14,291,470.33
TRANSPORTATION AND WAREHOUSING	\$1,755,744.41	\$7,584,945.03
WHOLESALE TRADE	\$1,056,019.29	\$6,670,699.98
<b>GRAND TOTAL</b>	<b>\$69,822,399.27</b>	<b>\$221,805,552.57</b>