

MONTANA BOARD OF INVESTMENTS

Street Address:
2401 Colonial Drive, 3RD Floor
Helena, MT 59601

Mailing Address:
PO Box 200126
Helena, MT 59620-0126



Phone: (406) 444-0001
Facsimile: (406)449-6579
Website: www.investmentmt.com

Montana Working Capital Program Application Information

The Montana Working Capital Program is designed to aid Montana businesses impacted by COVID-19 pandemic. Businesses are eligible for grant funds to support working capital loans from eligible lenders.

All Borrowers must meet the following criteria to be eligible to receive Montana Working Capital Program funding. Information will be verified in part by the Lender, Montana Board of Investments, Montana Department of Revenue, and other assisting agencies.

Eligibility Criteria:

1. The loan requesting assistance must be a commercial loan to a Montana business;
2. The Borrower must have been no more than 30 days past due as of December 31, 2019, with the originating lender;
3. The Borrower must be current on all other State financial obligations (i.e. income tax, property tax, payroll tax, workers comp., child support, etc.);
4. The Borrower must be in good standing with the Montana Secretary of State;
5. The Borrower's business cannot be publicly traded;
6. The Borrower must not have access to 12 months of working capital from any other sources;
7. The Borrowers cannot be engaged in any illegal activity under federal, state, or local law;
8. The proceeds from the program may not be used for any marijuana related business;
9. The borrower, an owner with at least 20% ownership, or a guarantor cannot generate any revenue from marijuana-related business; and
10. The Borrower must have experienced a 15% reduction in gross revenue attributable to the direct or indirect impacts of COVID-19.

Use of Proceeds:

Proceeds may be used for the following expenses incurred between **March 12, 2020 and December 30, 2020**: payroll/contract labor; employee benefits; leases/rents; inventory; utilities; insurance; advertising; repairs and maintenance; office expense; and interest for this loan request only.

Proceeds may NOT be used for: real estate purchases; payment of taxes of any type; interest or principal payments on other outstanding debt; investment or re-lending of funds; dividends or distributions; or contributions to, or on behalf of, any political party, party committee, or candidate for elective office.

General Loan Terms:

- Maximum Grant Size – \$175,000 grant on a \$500,000 principal loan (35/65 grant to loan).
- Origination Fee – MBOI to pay 1% or \$5,000, whichever is less.
- Term – To be determined by Lender and Borrower.
- Rate – To be determined by Lender and Borrower.
- Existing term loans are ineligible for participation.
- Existing operating notes as of March 12, 2020 must be converted to term loans.
- The grant portion of the Working Capital Program is taxable income and a 1099 will be issued to the holder of the note.
- Lenders who denied eligible businesses from participating in the Montana Loan Deferment Program are not eligible for the Montana Working Capital Program.
- Loans funded in the Montana Loan Deferment Program are not eligible for the Montana Working Capital Program.
- Loans approved in the Montana Working Capital Program are not eligible for the Montana Loan Deferment Program.

Application Materials:

1. Montana Working Capital Program Application (attached Excel spreadsheet)
2. Federal income tax gross revenue information (attach as .PDF)
 - a. If the borrower is an individual, Schedule C; or
 - b. If the borrower is a stand-alone business entity, first 2 pages of their Federal Income Tax. (“C” or “S” corporation, LLC, Partnership); or
 - c. If the borrower is a Real Estate Holding company, first 2 pages of their Federal Income Tax for the real estate holding company and the first 2 pages of the Federal Income Tax for the operating company(s) that flow to/thru the holding company.
3. An excel spreadsheet showing calculation of the business’ 15% or more gross revenue reduction, indicating the tax year used for comparison of the most recently filed 2019 or 2018. You may use:
 - a. Average Calculation (total gross revenue divided by 12 multiplied by 7); or
 - b. Month-by-month comparison using the applicable tax year to 2020 calendar year-to-date.
 - c. If multiple operating companies flow to a holding company, the average calculation of the month-to-month must be on a consolidated basis.
4. Names of all borrower partnerships or business entities, with the note holder listed first, and the respective Tax Identification Number (TIN) for each.
5. IF APPLICABLE, name of the borrower’s partnerships, affiliates, or business entities for which a Montana Tax Return has been filed, including Federal Employer Identification Number.
6. IF APPLICABLE, name of sole proprietor or pass-through entity’s owners, shareholders or partners with SSN for each.
7. Signed Borrower Certification (attached)
8. Signed Lender Certification (attached)

RETURN COMPLETE APPLICATIONS AND DIRECT QUESTIONS TO DHILL@MT.GOV OR 444-1217.

APPLICATIONS WILL BE ACCEPTED BEGINNING SEPTEMBER 8, 2020. FINAL APPLICATION DEADLINE IS 5PM ON OCTOBER 23, 2020. AWARD LETTERS WILL BE SENT TO THE LENDER AS GRANT APPLICATIONS ARE APPROVED. FUNDING OF ALL AWARDS WILL TAKE PLACE ON OCTOBER 27, 2020.

FOR ANY APPLICATIONS REQUIRING ADDITIONAL REVIEW, ALL MATERIALS MUST BE SUBMITTED BY NOVEMBER 21, 2020 OR THE APPLICATION WILL NOT BE CONSIDERED FOR FUNDING.

Montana Working Capital Program Application Borrower Certification

Borrower attests that: they are current on all State financial obligations, including but not limited to income tax, property tax, payroll taxes, and child support payments; are in good standing with the Montana Secretary of State; are not publicly traded; have no access to 12 months of working capital from any other sources; are not engaged in any illegal activity under federal, state or local law; and have experienced a 15% reduction in gross revenue attributable to the direct or indirect impact of COVID-19.

Borrower further attests that no proceeds made available through the program will be used for any marijuana related business and that no owner with at least 20% ownership or guarantor generates any revenue from marijuana-related business.

Borrower certifies any and all information provided to Originating Lender, MBOI, its directors, officers, and employees from any director, officer, employees, or representative of Borrower is truthful and accurate. Borrower understands any information provided including, but not limited to, business name, location, amount received, and use of funds shall be considered public information. Sensitive or confidential personally identifiable information such as social security number or tax ID number and financial information will be protected from public disclosure. Borrower authorizes the Montana Department of Revenue to disclose to the Montana Board of Investments necessary information on tax returns and report for the sole purpose of determining eligibility for this program. Additionally, Borrower authorizes the Board of Investments to share tax and financial information with the Department of Revenue for audit and compliance with the Working Capital Program. Borrower acknowledges MBOI will accept and maintain an electronic version of this application. Unused grant funds shall be returned to the State of Montana through MBOI.

Borrower understands that knowingly making a false statement to obtain eligibility in a program through the MBOI is punishable under the law, including under Montana Code Annotated 45-6-301 by imprisonment in a state prison for a term not to exceed 10 years and a fine not to exceed \$50,000 or both; under Montana Code Annotated 45-7-208 by imprisonment in the state prison for a term not to exceed 10 years or a fine of up to \$50,000 or both; and under Montana Code Annotated 45-7-202 by imprisonment of up to 6 months and a fine of up to \$500 or both.

Borrower understands that the Working Capital loan is subject to audit by the Montana Department of Revenue for tax compliance purposes.

Borrower agrees to provide additional documentation as requested by the Originating Lender or MBOI.

Business Name	Loan Number
---------------	-------------

Borrower	Date
----------	------

Co-Borrower	Date
-------------	------

Co-Borrower	Date
-------------	------

Montana Working Capital Program Application Lender Certification

The Originating Lender attests that the Borrower meets the following eligibility criteria:

1. The loan requesting assistance is a commercial loan to a business;
2. Been no more than 30 days past due as of December 31, 2019, with the originating lender;
3. The Borrowers business is not publicly traded.

Originating Lender certifies they shall close and disburse each grant in accordance with the terms and conditions of the Program and MBOI's letter of approval. Originating Lender shall cause to be executed: a working capital loan, any additional supporting documentation, and such other actions which are consistent with prudent lending practices, so as to fully protect or preserve the interests of the Originating Lender, Borrower, and MBOI. Originating Lender understands any information submitted in this application including, but not limited to, business name, location, amount received, and use of funds shall be considered public information. Sensitive or confidential personally identifiable information such as social security number, tax ID number or financial information, whether in Lender's possession or as provided by the Department of Revenue, will be protected from public disclosure. Originating Lender acknowledges MBOI will accept and maintain an electronic version of this application. Unused grant funds shall be returned to the State of Montana through MBOI.

Originating Lender understands that knowingly making a false statement to obtain eligibility in a program through the MBOI is punishable under the law, including under Montana Code Annotated 45-6-301 by imprisonment in a state prison for a term not to exceed 10 years and a fine not to exceed \$50,000, or both; under Montana Code Annotated 45-7-208 by imprisonment in the state prison for a term not to exceed 10 years or a fine of up to \$50,000, or both; and under Montana Code Annotated 45-7-202 by imprisonment of up to 6 months and a fine of up to \$500, or both.

Lender makes no representation or certification to the accuracy of the information provided and agrees to provide additional documentation as requested by MBOI.

Loan Officer	Date
--------------	------