

AG PACE LOANS FOR HUNTING-RELATED BUSINESSES

The agriculture partnership in assisting community expansion (Ag PACE) fund was created in 1991. Under North Dakota Century Code (NDCC) Section 6-09.13-01(1), the program was created "to buydown the interest rate on loans to on-farm businesses"

In 1991 the Legislative Assembly provided \$996,000 for the Ag PACE fund. Under NDCC Section 6-09.13-04, the Ag PACE fund is a revolving fund and all moneys in the fund are appropriated on a continuing basis to reduce the interest rate on loans.

Under NDCC Section 6-09.13-02, the Bank of North Dakota purchases participation interests in loans made by financial institutions. Through this participation, the Bank of North Dakota provides reduced interest rates. Under Section 6-09.13-03, loans must be received by a farmer for farm business and be used for the purchase of real property and equipment, expansions, working capital, or the purchase of inventory. Under Section 6-09.13-02(3), the Bank of North Dakota is required to adopt rules for the Ag PACE program. For more

information on the program, visit www.banknd.com and click on "Lending Services."

In the first biennium of the program, the Bank of North Dakota provided up to \$70,000 in interest rate assistance per individual under this program. In the 1999-2001 biennium, the program provided up to \$20,000 of interest rate assistance per individual. From 1991 to the 1999-2001 biennium, there were two Ag PACE loans for hunting-related operations. During the 1999-2001 biennium, there were four fee hunting-related Ag PACE loans. The four loans totaled \$205,500 and used interest buydown of \$53,717. In relation to other Ag PACE loans funded during this biennium, the hunting-related loans were four of a total of 216 funded loans. The \$205,500 in hunting-related loans represented 4.2 percent of the \$4,867,435 in funded loans. The \$53,717 in total interest buydown for hunting-related loans represented 5.7 percent of the total buydown program of \$938,054.