



MONTANA
DEPARTMENT OF COMMERCE

MONTANA STATE SMALL BUSINESS CREDIT INITIATIVE 2.0 LOAN PARTICIPATION PROGRAM (MT SSBCI 2.0 LPP)

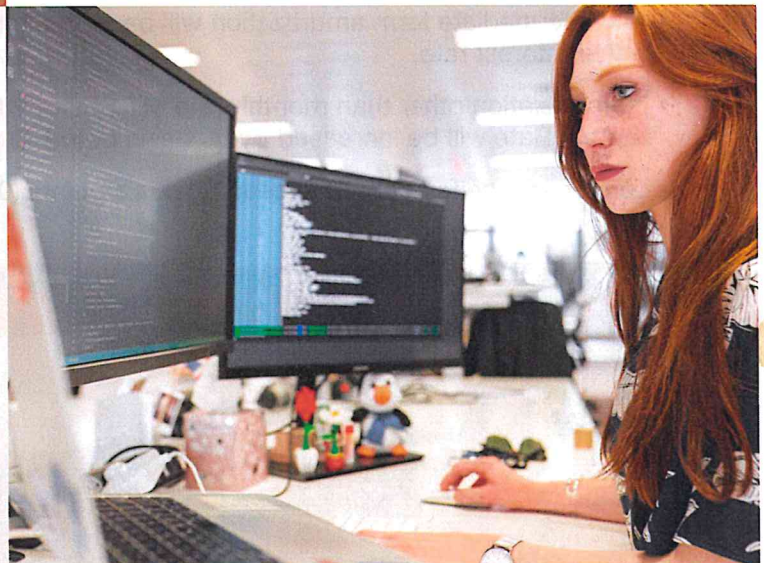
The American Rescue Plan Act of 2021 (ARPA) reauthorized and amended the Small Business Jobs Acts of 2010 (SBJA) to provide \$10 billion to fund the State Small Business Credit Initiative (SSBCI) as a response to the economic effects of the COVID-19 pandemic. SSBCI is expected to, in conjunction with new small business financing, create billions of dollars in lending and investments to small businesses that are not getting the support they need to expand and create jobs.

The MT SSBCI 2.0 LPP will be used to assist new Montana businesses entering the market or existing Montana businesses that need additional borrowings to stabilize, pivot, expand, or re-start. The MT SSBCI 2.0 LPP will partner with approved economic development organizations throughout the state to identify businesses in their regions that could benefit from the program. The program is structured to participate directly in a lender loan at a participation rate of 50%. MT SSBCI 2.0 LPP participation will occur via a participating lender.

Program Partners

Participating lenders are organizations that are Certified Development Financial Institutions or local economic development organizations with a revolving loan fund (CDFI/RLFs) that are approved to participate. Approved CDFI/RLFs must execute an MT SSBCI 2.0 LPP Loan Servicing Agreement and adhere to the terms and conditions contained therein.

Primary lenders are approved lenders, such as banks or credit unions that must execute an MT SSBCI 2.0 LPP Lender Loan Servicing Agreement and adhere to the terms and conditions contained therein.





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Interest Rates

MT SSBCI 2.0 LPP interest rates will be fixed for the term of the loan as follows:

- Up to 3-year term with monthly payments – 0.50%
- A 3-year up to 5-year term with monthly payments – 1.00%
- A 5-year up to 7-year term with monthly payments – 1.50%
- A 7-year up to 10-year term with monthly payments – 2.00%
- A 10-year up to 15-year term with monthly payments – 2.50%
- A 15-year to 20-year term with monthly payments – 3.00%
- Any intermediate term amortization will be at the next tier higher interest rate
- If amortization other than monthly, the MT SSBCI 2.0 LPP Interest Rate will be increased by 50 basis points (0.50%)
- Lender service fee cannot exceed 50 basis points (0.50%)

Application Process

- Businesses will contact their local lender or CDFI/RLF.
- Primary lenders partner with an approved CDFI/RLF to participate in the program.
- Approved CDFI/RLFs submit an MT SSBCI 2.0 LPP application to the program, along with the required documentation. Application can be found at MTSSBCI.MT.GOV.

Program Contacts

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