



## KANSAS BANKERS ASSOCIATION

### **Kansas Economic Recovery Loan Deposit Program - Start date: May 2021**

Can my financial institution participate?

- The program is open to any bank that agrees to participate in the program and is eligible to be a depository of state funds.

Who is an “eligible borrower”?

- An individual or entity operating a business primarily for commercial or agricultural purposes.
- Eligible businesses must:
  - Maintain operations and transact business in Kansas; and
  - Employ less than 200 full-time employees.

What are the terms?

- The participating financial institution conducts the underwriting and assumes the risk of the loan.
- Loans are limited to \$250,000 to be repaid over a period up to 10 years.
- Loans are deposited in Kansas financial institutions at the cost of .25%
- Financial institutions can charge an additional 3% for a maximum interest rate of 3.25%
- Only one economic recovery loan deposit loan can be made and be outstanding at any one time to any eligible borrower.
- The borrower's rate will be recalculated on an annual basis by the PMIB.

How much is available?

- This program will use \$60 million in idle state funds that are under the control of the State Treasurer and the Pooled Money Investment Board.

### **Kansas Extraordinary Utility Costs Loan Deposit Program - Start date: May 2021**

Can my financial institution participate?

- The program is open to any bank that agrees to participate in the program and is eligible to be a depository of state funds.

Who is an “eligible borrower”?

- Any wholesale natural gas customer located in Kansas that incurred extraordinary natural gas costs due to the extreme weather events in February 2021.
  - This includes school districts and cities.

What are the terms?

- The participating financial institution conducts the underwriting and assumes the risk of the loan.
- Loans are limited to \$500,000 to be repaid over a period up to 3 years.
- Loans are deposited in Kansas financial institutions at the cost of .25%
- Financial institutions can charge an additional 3% for a maximum interest rate of 3.25%
- Only one extraordinary utility costs loan deposit loan could be made and be outstanding at any one time to any eligible borrower.
- The borrower's rate will be recalculated on an annual basis by the PMIB.

How much is available?

- This program will use \$20 million in idle state funds that are under the control of the State Treasurer and the Pooled Money Investment Board.