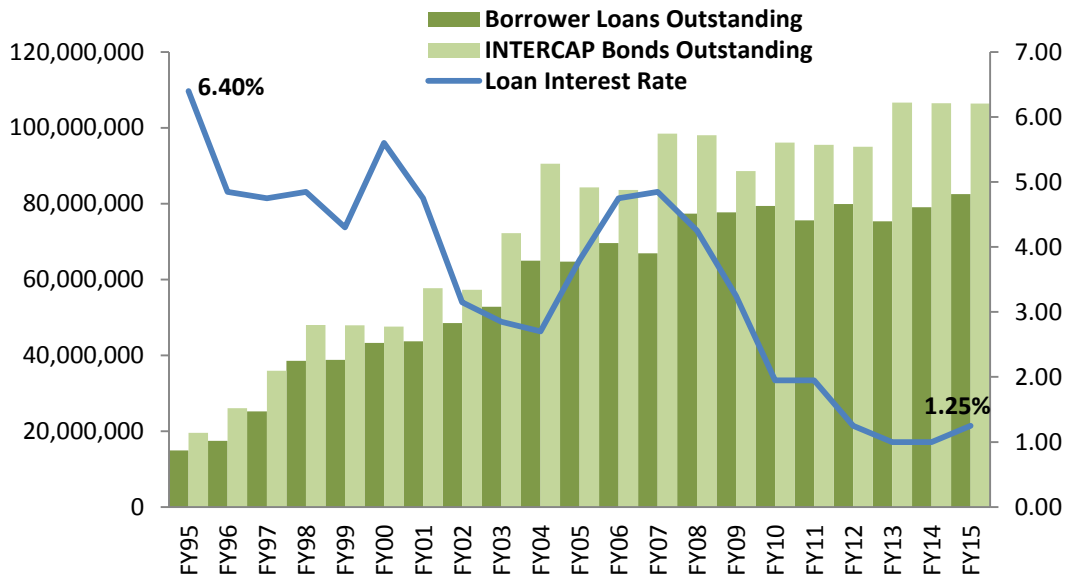


**CORRECTION PAGE 24**

**Correction: INTERCAP Bonds Outstanding and Borrower Loans Outstanding were inadvertently reversed in the original legend for the table below. The table below is the corrected table.**

The table below compares the INTERCAP bonds outstanding vs. borrower loans in relation to the loan interest rate in effect at the time.



Through a statutory mechanism, the Board is allowed to pledge certain moneys as a guarantee on these loans, which allows for the low interest rate. To date (without intending any limitation) the Board has identified two funds, the Treasurer's Fund and the Coal Severance Tax Trust Fund, as being legally available for such purposes.

INTERCAP loans have been very high credit quality, and to date, the Board has never suffered a loss, due in part to reasonable underwriting standards and the credit soundness of State of Montana agencies, boards, and authorities and Montana local governments.

Other programs the Board administers under the Bond Program are as follows:

- **Qualified Zone Academy Bond Program (QZAB)**

This program allows qualifying school districts to borrow money at no or nominal interest rates by issuing qualified zone academy bonds. The Board acts as a legal funding conduit only and has no pecuniary liability for the repayment of the bonds. Nine school districts have issued over \$9.98 million in QZAB bonds as of June 30, 2015.

- **Qualified School Construction Bond Program (QSCB)**

This program allows qualifying school districts to borrow money at no or nominal interest rates by issuing qualified school construction bonds. The Board acts as a legal funding conduit only and has no pecuniary liability for the repayment of the bonds. Two school districts have issued over \$8.37 million in QSCB bonds as of June 30, 2015.