

**MONTANA BOARD OF INVESTMENTS
APPROVED LENDER APPLICATION POLICY**

The requirements listed below apply to the Commercial and Value-Added Loan Programs only.

I. APPROVED LENDER REQUIREMENTS

- (a) Any financial institution may request approval as a Participant if it sells loans to the Board on a whole or participation basis and services the loan throughout the term.
- (b) All requests must include:
 - i. a listing of the applicant's principal officers and officer(s) authorized to execute contracts, agreements and other documents, plus a copy of the authorized officer's statement;
 - ii. a listing of the personnel and their qualifications principally involved in making and servicing loans;
 - iii. a certificate of errors and omissions insurance coverage in an amount to be determined by the Board at the time of approval;
 - iv. an applicant that is governed by one or more regulatory agencies must submit its most recent quarterly consolidated report of condition and income or its most recent quarter-end balance sheet and income statement, plus, if available, copies of its previous three years' consolidated reports of condition and income or audited financial statements, including both balance sheets and income statements which must indicate a positive return on average assets, and based on generally accepted accounting principles (GAAP), indicate a total capital as a percentage of average assets of at least 6% or meet all applicable capital requirements of the regulatory agency; and
 - v. an applicant that is not governed by a regulatory agency defined herein, must submit copies of its last three years' audited financial statements, including both balance sheets and income statements plus its most recent quarter-end balance sheet and income statement which have been prepared within 60 days of submission. Current financial statements must indicate a positive return on average assets, and must indicate total capital as a percentage of average assets of at least 6% with a minimum GAAP net worth of \$1,000,000. Evidence of current corporate and ownership structure demonstrating more than three years of existence must be included.
- (c) Board staff will determine approval of each applicant after reviewing the application.
- (d) If approved as a Participant, the financial institution must sign the appropriate sale and servicing agreement(s).
- (e) Participation agreements must be signed to sell loans on a participation basis and a participation certificate must be signed for each participation commitment delivered.
- (f) Annually, and within 90 days after the Participant's year-end, the Participant shall file audited financial statements including income statements or equivalent regulatory reports. The financial statements shall exhibit total capital as a percentage of average assets of at least 6% with a minimum GAAP net worth of \$1,000,000. If the Participant's capital to average assets ratio is below 6%, the institution must meet the capital requirements of its regulatory agency or demonstrate, with current financial statements, an increasing ratio of capital to average asset
- (g) The Board may suspend approval of a Participant and discontinue purchasing loans or otherwise participating with the Participant in purchasing and servicing loans if any of the following situations occur:
 - i. any fees due the Board by the Participant remain unpaid for more than 30 calendar days;
 - ii. the Board determines that more than 7% of loan payments have been delinquent for more than 90 calendar days; and the Board determines that the Participant has violated the servicing or participation agreement, or rules adopted by the Board.

**MONTANA BOARD OF INVESTMENTS
APPROVED LENDER APPLICATION**

Coal Tax Loan Programs: Commercial Loan Program and Value-Added Loan Program

This application may be completed electronically. The F 11 key will move the cursor to the appropriate spaces

Financial Institution →			
Address→			
City/State/Zip→			
Telephone→			
Facsimile →		e-mail →	

**List the principal officers and officers authorized to execute contracts, agreements and other documents:
(attach a copy of the authorized officer's statement)**

Name→		Title→	

List the personnel and their qualifications principally involved in making and servicing commercial loans:

Name→		Title→	
Name→		Title→	
Name→		Title→	
Name→		Title→	

Please attach a certificate of errors and omissions insurance coverage with application.

Authorized Signature _____

Date: _____

**Montana Board of Investments
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