

IS YOUR TRIBE THINKING OF EXPANDING A SMALL BUSINESS OR TRIBAL ENTERPRISE, and cannot find financing on reasonable terms and conditions? The Indian Affairs Loan Guarantee Program may be able to help! We facilitate access to capital through Loan Guarantees. We are not a grant program; instead we assist Indian-owned businesses receive financing for their projects by guaranteeing loans made by banks and other lenders. The size of a loan to a Tribe or tribal enterprise is not limited by our regulations, but is subject to availability of Program resources.

FIRST, MAKE SURE YOUR PROJECT QUALIFIES UNDER THE PROGRAM'S REGULATIONS.

Some key requirements include:

- The borrower requesting the loan must be either a federal recognized Tribe, an individual member of a federal recognized Tribe, or an entity that is at least 51% owned by members of federally recognized Tribes.
- The owner must have at least 20% tangible equity in the project being financed.
- The project must benefit the economy of a reservation or tribal service area.

IN ORDER TO OBTAIN A GUARANTEED LOAN, you will need to develop a business plan and work with your bank or other qualified lending institution. That lender will make the request for a guarantee so that it can lend you capital for your business. You do not need to be turned down by a bank in order to use our program. Instead, if you are having trouble finding a bank willing to finance your project, inform possible lenders about our program, and suggest that they contact us or visit our website. The Loan Guarantee Program is designed to lower the amount of risk taken by the lender, thus giving it more incentive to finance the project.

INDIAN AFFAIRS CAN GUARANTEE UP TO 90% of an eligible loan. This means that if your business defaults on its debt to the lender, the lender can then ask the government to reimburse up to 90 percent of the unpaid principal and accrued interest due on a loan. When that happens, the lender then assigns its rights to the government, and the government becomes the new lender. The borrower will still be liable for the outstanding amount owed.

IF YOU WOULD LIKE TO LEARN MORE ABOUT PARTICIPATING IN OUR PROGRAM, PLEASE CONTACT:

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**Assistant Secretary - Indian Affairs
Office of Indian Energy and
Economic Development (IEED)
DIVISION OF CAPITAL INVESTMENT**





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DIVISION OF CAPITAL INVESTMENT:

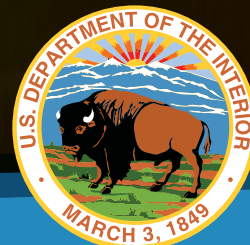
*Helping Guarantee the
Future of Indian Country*



WWW.INDIANPUEBLO.COM

The Indian Pueblo Cultural Center: A Beacon Of Success

ECONOMIC PROJECTS such as the Indian Pueblo Cultural Center (IPCC) continue to benefit from the Indian Loan Guarantee, Insurance and Interest Subsidy Program. Founded in 1976 by the 19 Pueblos of New Mexico, the Indian Pueblo Cultural Center is a world-class museum and cultural center created to be a place where Pueblo people can tell their story. Today the IPCC leads the world in educating people about the legacy of resilience, accomplishments and living history of Pueblo people and is a vibrant place for people of all cultures to share, learn and discover.



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Who We Are...

The Division of Capital Investment (DCI) manages the Indian Loan Guarantee, Insurance and Interest Subsidy Program which helps borrowers secure business financing on commercially reasonable terms.

Over \$1 billion provided in loan guarantees and insurance for Indian Country

To help Indian tribes and individuals establish and expand Indian-owned businesses, and to encourage self-sufficiency, Congress passed the Indian Financing Act of 1974. The Act was established to reduce the disparity between business capital available to Indian and non-Indian businesses.

The program is open to federally recognized American Indian tribes, Alaska Native groups, individually enrolled members of such tribes or groups, and business organizations with no less than 51 percent ownership by American Indians or Alaska Natives.

ELIGIBILITY AND LENDING REQUIREMENTS

Most lending institutions, including Community Development Financial Institutions, may obtain a guarantee or insurance provided they are regularly engaged in making business loans and have the capacity to evaluate them.

Loans may be used for a variety of purposes including operating capital, equipment purchases, business acquisition and refinance, building construction and lines of credit.

Up to 90% loan guarantee or loan insurance

The maximum loan amount guaranteed for individuals is \$500,000; however, the Program can guarantee loans of greater amounts for tribes, tribal enterprises, or business entities, subject to program and policy limitations.

SUCCESS STORY:

NATIVE AMERICAN NATURAL FOODS continues to benefit from the Indian Loan Guarantee, Insurance and Interest Subsidy Program. NANF is the innovative leader in the emerging categories of meat bar snacks and food as fuel. They are headquartered in Kyle, SD, the heart of the Pine Ridge Indian Reservation, homeland of the Oglala Lakota people. The company's goal is to build a national brand that is strong enough to improve the diets, economy and lives of Indian people and to help increase the sustainability of buffalo and the grasslands.

WWW.TANKABAR.COM

Dawn Sherman,
Business Manager.





WWW.ICYSTRAITPOINT.COM



SUCCESS STORY:

ICY STRAIT POINT, an entity of the Huna Totem Corporation (HTC), is a privately owned cruise ship destination, located 35 miles west of Juneau in Hoonah, Alaska, catering to cruise ship guests. The Indian Loan Guarantee, Insurance and Interest Subsidy Program guaranteed two loans that were used to construct a deep water dock, a restaurant/retail building, and improve access to utilities, and serve other vessels when not being used by cruise ships. The photos are used with ISP's permission.

Application Process

Borrowers must apply for a loan through any lender that regularly engages in making loans. A lending institution should only apply for a loan guarantee or obtain loan insurance when it would not otherwise approve the borrower's loan application.

To apply for a loan guarantee, the approved lending institution must submit a request on Indian Affairs Form RG110 to the DCI Zone where the business is to be located, along with standard documentation which the lending institution will require. This will likely include a complete loan application, an independent credit analysis of the borrower's business and collateral, and a recent, original credit report from a nationally recognized credit bureau.

The lender must make sure the business entity is qualified. It must describe the borrower's 20% equity in the business being financed and estimate loan-related closing costs. If the loan will be used for refinance, construction, renovation, or demolition work, there are additional requirements. This can all be done using the lender's own forms, along with a commitment letter from the lender to the borrower which states the loan amount, purpose of the loan, interest rate, schedule of payments, security, and the terms and conditions of the loan.

Loan insurance (primarily for loans of \$250,000 or less) is even easier to secure. If an approved lender believes loan insurance is justified to offer the best lending terms, it can simply make the insured loan and tell DCI afterward.



TO FIND OUT MORE SCAN HERE:

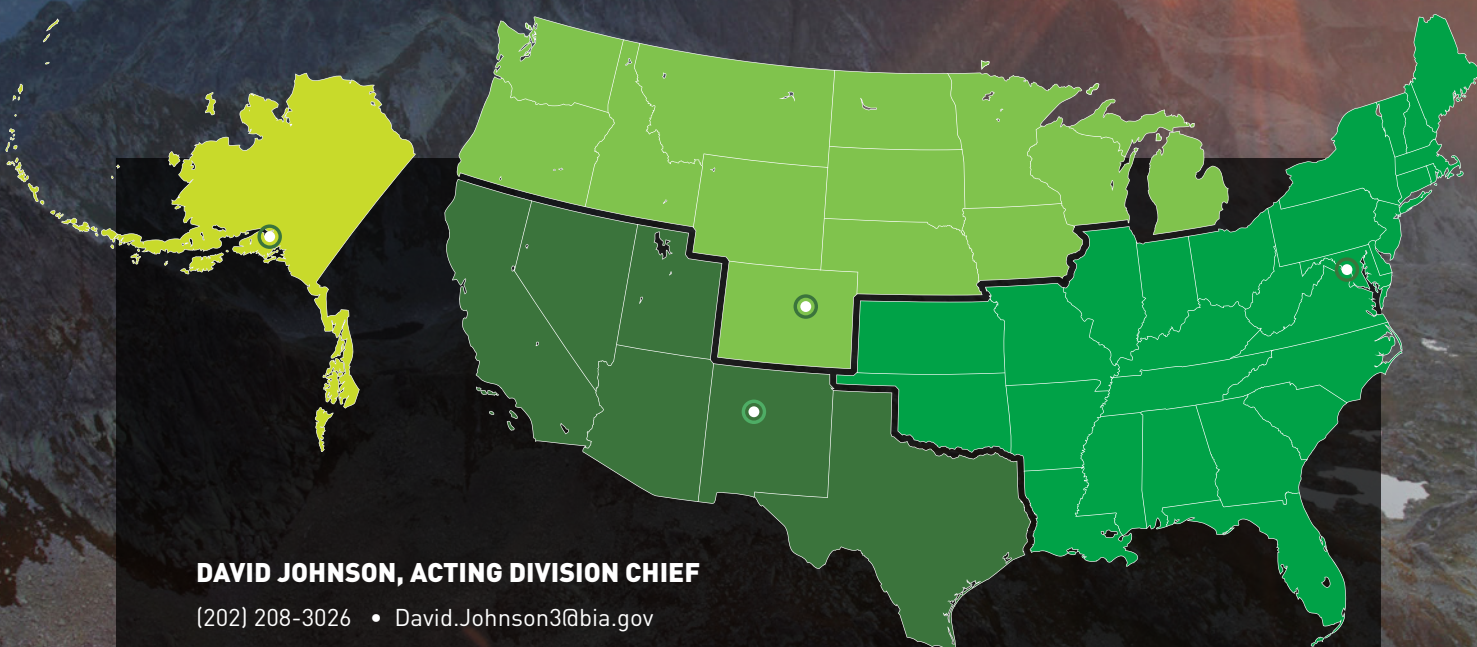
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