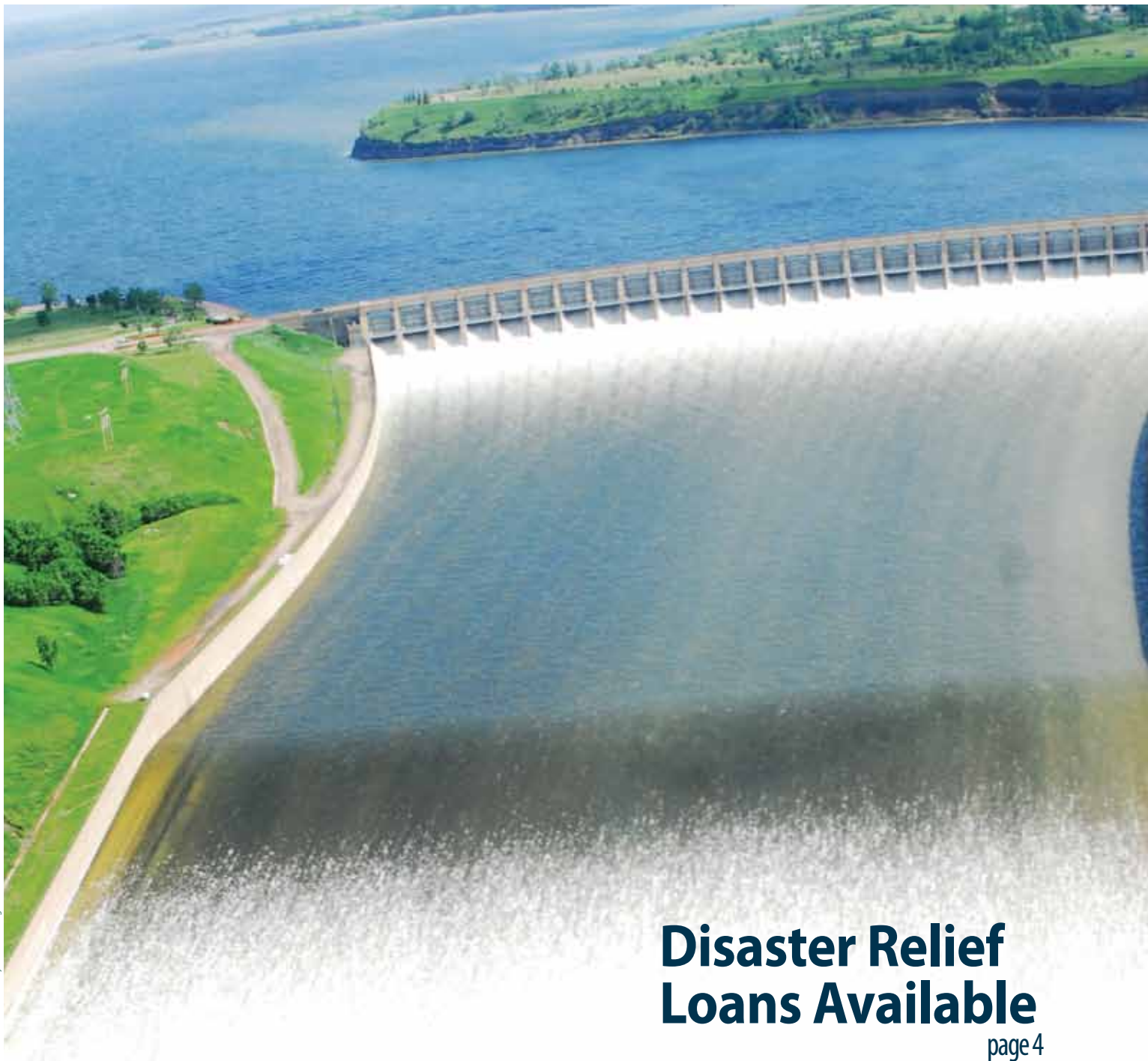


BND Exchange

Volume 9 Issue 1 2011



Disaster Relief Loans Available

page 4

Bank of North Dakota

New College SAVE Program

page 3

BND Home to Disaster Recovery Center

page 5

Legislative Programs to Take Effect

page 6



Eric Hardmeyer

From our perch on a bank 38 feet above the Missouri River we are constantly reminded of the impact the flooding Missouri and Souris Rivers is having on our friends, families and business partners. Many of our employees are feeling a direct impact with flooded basements or inaccessible homes surrounded by water. Our hearts and prayers go out to all of those people in the Bismarck-Mandan, Minot, Fort Yates, Devils Lake and other communities experiencing flooding.

Bank of North Dakota has been engaged for many years in financially assisting those affected by disasters. We rolled out our first disaster program in the spring of 1997 after working with the Grand Forks financial institutions to assist their business customers. At about the same time, we felt the need to help with the state's agriculture sector which was suffering from tremendous livestock losses after the brutal winter and spring of 1996-97.

While we have the desire and capacity to financially help, we have learned over the years that it is important for those impacted by disasters to use the federal programs to their fullest extent before considering BND programs. We have spent much time with representatives from the Federal Emergency Management Agency and Small Business Administration and have a real appreciation for their expertise and dedication in serving those directly impacted.

We are committed to work with North Dakota financial institutions to determine what the financial gaps are for their customers (after having utilized the federal programs) and then devising prudent lending programs to help businesses and residential homeowners.

We believe that BND's mission and unique structure can and should be used to help North Dakotans in their time of need. Perhaps for times like this, BND stands not only for Bank of North Dakota, but Bank for Natural Disasters. ≡

Bank Launches Children FIRST program

Bank of North Dakota launched a new program in May designed to assist families with infants one-year-old and younger in saving for college. Children FIRST, a component of College SAVE, the state of North Dakota's 529 college savings plan, will now provide an initial \$100 contribution for participants who opt into the program.

The State of North Dakota's \$100 contribution encourages families to start saving for college related expenses at the earliest possible stage in a child's life. Children FIRST participants have until their child turns four years old to match the \$100 contribution to retain the state-sponsored donation.

"This state-sponsored savings contribution is an investment in our children's future," said Gov. Jack Dalrymple. "I encourage new parents across North Dakota to take advantage of this unique program, begin saving and provide their children with a higher education and a lifetime of opportunity."

Participants who enroll in College SAVE, and list a North Dakota resident infant one-year-old or younger as the

beneficiary, will receive the \$100 contribution into their account. Any babies born on or after January 1, 2011 qualify for the program.

According to data from The Project on Student Debt, the average debt level for graduating college seniors in North Dakota for 2009 was approximately \$22,000. North Dakota ranks seventh in the nation with 71 percent of

college students graduating with debt.

Statistics also indicate that children who have money saved in their name for higher education are seven times more likely to attend a college or university than those who do not.

"Bank of North

Dakota is pleased to offer the Children FIRST program which over time can create a new-found legacy of saving for our children's higher education needs," said Eric Hardmeyer, BND president. "Now parents, grandparents or any participant can get a head start on saving for college and take advantage of other benefits offered by College SAVE."

For more information on Children FIRST or College SAVE, go to www.collegesave4u.com. ≡



529 College SAVE Day at the Red River Zoo

The 529 College SAVE Day at the Red River Zoo in Fargo was attended in early June by more than 5,500 people. Participants gained free entrance to the zoo, rode the carousel for free and had access to four free animal shows. An afternoon event was attended by 650 people who had opportunities to win great prizes including an iPod, Kindle and mini-laptop.

Dan Bahe was the recipient of the grand prize drawing of \$529 to open a College SAVE account. Sling bags with College SAVE information was distributed to more than 2,500 people and Froggy 99.9 and FM 105.1 were on hand for live remotes.



Weather Related Disaster Relief Loans from Bank of North Dakota

Bank of North Dakota (BND) is assisting state residents with low interest rate disaster relief loan programs to support farmers & ranchers, businesses and political subdivisions impacted by unprecedented weather events throughout the state. Working in partnership with the North Dakota Public Finance Authority and local community lenders in affected areas, BND will assist in funding the disaster loans. The disaster relief loan programs are designed to help those in need of financial assistance due to 2011 weather related events. ≡



Photo by: Tom Stromme/Bismarck Tribune

Business and Farm Disaster Relief Programs

Bank of North Dakota will provide loan funding and work with local community financial institutions to assist residents in North Dakota counties listed in a Presidential Disaster Declaration. BND will coordinate the loan programs.

“Business owners, farmers and ranchers in the impacted counties who are interested in these new programs should contact their local financial institutions to begin the loan process,” said Eric Hardmeyer, BND president. “BND has designed the programs to minimize processing time and costs to the borrower.”



Photo by: Mike McCleary /Bismarck Tribune

Political Subdivision Disaster Loan Program

The North Dakota Public Finance Authority (PFA) has partnered with Bank of North Dakota (BND) to offer low-interest, disaster loans to political subdivisions impacted by 2011 weather and flooding.

Through its Capital Financing Program, the PFA will consider applications from any political subdivision in counties that received a presidential disaster declaration or a gubernatorial executive order or proclamation of a state disaster or emergency.

The PFA financing can provide short-term funding

for a political subdivision while the entity is waiting for reimbursement from the federal or state government or provide cash flow financing until sufficient tax revenues have been received to meet the local match requirements.

By partnering with Bank of North Dakota, the authority can offer a low-interest floating rate to political subdivisions which in turn reduces costs to affected communities.

This special disaster assistance financing is being offered until Dec. 31, 2011. More information about the program can be obtained by contacting the PFA at 701-328-7100. ≡

Disaster Recovery Center at BND

Governor Jack Dalrymple announced that North Dakota and federal agencies opened three flood disaster recovery centers in late June with one being located at Bank of North Dakota. The centers will assist homeowners and business owners who have suffered losses due to flooding and want to apply for recovery programs.

The centers are operated daily by the North Dakota Department of Emergency Services, the Federal Emergency Management Agency and the Small Business Administration. Other state agencies to be represented at the recovery centers are: Bank of North Dakota, ND Department of Agriculture, Office of the Attorney General – Consumer Protection Division, ND Insurance Department, ND Housing Finance Agency, ND Department of Human Services, ND Department of Commerce, Office of Tax Commissioner and Job Service ND – Disaster Unemployment Services.



Register with FEMA before visiting a recovery center by calling 1-800-621-3362 (TTY 1-800-462-7585) or go online at www.FEMA.gov or www.disasterassistance.gov

Calling any other local or state number will not get you registered for FEMA assistance. ≡

Student Loan Borrowers

Bank of North Dakota (BND) recognizes that individuals who are fighting flood conditions may be having difficulty making scheduled student loan payments.

If you are a student loan borrower or co-signer of a student loan with Bank of North Dakota and are unable to make a payment, call BND's student loan services at 1-800-472-

2166 ext 5660 or 701-328-5660 for immediate assistance. You may also contact us through our website at www.mystudentloanonline.nd.gov.

If your student loan is held by another financial institution, consider contacting them as soon as possible to inform them of your situation. ≡

Residential Loan Borrowers

Bank of North Dakota and the North Dakota Housing Finance Agency recognize that families who are fighting flood conditions may have difficulty making their scheduled loan payments.

If you have an outstanding loan with one of these state agencies and you are unable to make the payments, please contact Bank of North Dakota at 1-800-472-2166 extension 5759 or the North Dakota Housing Finance Agency at 1-800-292-8621.

If your loan is held by another financial institution, contact that party as soon as possible to apprise them of your situation. ≡



Photo by: Brian Gehring/Bismarck Tribune

BND Legislative Highlights

The 2011 legislative session was characterized by a state budget surplus and an emphasis on infrastructure concerns, particularly in the oil impacted western region of the state. The North Dakota Legislature passed several bills that utilize Bank of North Dakota resources to address the challenges of rapid growth and development to better position our state for continued economic growth and success.

Some of the legislative highlights include:

- Senate Bill 2078 allows origination of conventional residential mortgage loans if private sector mortgage loan services are not reasonably available. No more than \$8 million can be used for this purpose. The applicant must be referred to BND by a local financial institution and BND must receive approval from the local area financial institutions to process the loan. BND may also originate FHA, VA and USDA loans. This legislation is effective for the current biennium and will be reviewed to determine future availability.

- House Bill 1096 allows BND to set the guarantee percentage and maximum loan amount for the Beginning Entrepreneur Loan Program. Previously, BND provided an 85% guarantee on loans not to exceed \$100,000. (May not be approved until the third week of July)
- Senate Bill 2306 expands the Fuel Production Facility Loan Guarantee program for entities that construct an agriculturally derived fuel production facility. BND's guarantee will not exceed 25% of the total loan. The maximum guarantee amount per loan on a single project will not exceed \$12.5 million.
- Senate Bill 2342 expands eligible uses for the BND Ag PACE Loan Program to include field tiling projects and calls for a 2011-12 Interim Legislative Study of subsurface field tiling.

Bank of North Dakota remains committed to serving the financial needs of our state. If you have questions or need additional information about these programs, please contact BND Lending Services at (701) 328-5777. ≡



The Chamber of Commerce Legislative Mixer is attended by many business people and lawmakers. BND hosts the biennial Legislative Mixer which took place earlier this year.



BND: People Set Us Apart

JoAnn Marsh

JoAnn Marsh has a passion for technology. In her 17 years of service at Bank of North Dakota, many changes have taken place in the way BND supports its customers and business partners.

She began her career as a programmer analyst and worked as project lead on many student loan projects, later becoming Development Manager. As IT Manager she now oversees the administration and maintenance of the Bank's infrastructure and computer systems.

JoAnn enjoys being involved in key IT related projects which gives her the opportunity to interface with all service areas in the Bank. The constant changes in technology create challenging opportunities to develop new skills. She is responsible for the IT Plan and three year Strategic IT Plan, manages the purchasing of software, hardware and IT supplies, and facilitates a monthly ITD managers meeting.

When away from the Bank JoAnn spends many summer weekends sharing time with her Rodeo family. Her family enjoys the competition, the camaraderie and friendships. They also spend time horseback riding along the river during the summer and snowmobiling in the winter. She has four sisters who she enjoys visiting and traveling with. ≡

JoAnn Marsh

IT Manager

Years with BND: 17

jmarsh@nd.gov



Chad Johnson

Commercial Loan Officer

Years with BND: 7 1/2

cbjohnson@nd.gov



Chad Johnson

As a 2010 Williston State College Small Business Development Center Lender of the Year award winner, commercial loan officer Chad Johnson thrives on helping small businesses get started with assistance from their local lending institution.

"I feel that it is very rewarding to know that in my position, I had a small part in helping someone's dream of starting a successful business happen," said Chad. "I also enjoy working with many different types of business as it seems I am working on something different every day."

Working at BND since 2004, Chad's job duties include development of commercial loan requests, management of the loan portfolio, and participating in BND's Credit Committee and marketing program.

Chad is a 2006 Graduate of the Graduate School of Banking at the University of Colorado. He also participated in the 2009 BND Leadership Program.

In Chad's free time he enjoys spending time with his family, golfing, and following UND Hockey, Twins baseball, and Vikings football. ≡



Bank of North Dakota

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Bank of North Dakota *Happenings*

NDCAN and NDDFS Award New Scholarships to 80 Students

North Dakota College Access Network (NDCAN) established a new scholarship through North Dakota Dollars for Scholars (NDDFS) in an effort to provide low income students with funding for college. 154 applications were received from 65 local chapters and 80 student scholarships were awarded. At least one scholarship was provided to each chapter. Chapters have been notified of the winner in their community and sent an award and check to present to the student. Visit www.ndcan.com to learn more. ≡



Seventh Year of Record Growth for BND

Net earnings of Bank of North Dakota (BND) increased by nearly \$4 million to \$61.9 million in 2010, marking a seventh consecutive year of record profits. At the end of 2010, BND was a \$4.03 billion institution with capital of over \$327 million. Loan volumes increased by \$101 million, or 3.6 percent over last year. "Our role is to responsibly serve as a catalyst for growth," said Eric Hardmeyer, BND president ≡



Herslip Selected to UMACHA Board

Joe Herslip, chief business officer and senior vice president of Technology and Operations, was selected to serve as the North Dakota representative for the Upper Midwest Automated Clearing House Association (UMACHA). Since 1974, UMACHA has educated financial institutions about the ACH network and assisted members in implementation, control, problem solving, and marketing of all Automated Clearing House (ACH) products and services. Financial institutions and corporate members across the Midwest choose UMACHA as a key resource to enhance their understanding of electronic payments. As a representative, Herslip will support the organization's mission. ≡



Joe Herslip

BND Establishes Correspondent Banking E-newsletter

A strictly electronic newsletter from BND entitled Advance ND: Correspondent Banking News launches this summer with information and highlights pertaining to correspondent banking. The electronic newsletter will allow financial institutions the opportunity to provide quick feedback and gain insight and updates related to BND. If you would like to ensure that you receive the electronic newsletter please send an email to Customer Relationship Manager Val Timm at vtimm@nd.gov ≡



The only state-owned bank in the nation, Bank of North Dakota is overseen by the Industrial Commission of North Dakota, consisting of Gov. Jack Dalrymple as Chairman, Attorney General Wayne Stenehjem, and Agriculture Commissioner Doug Goehring.