

# NATIVE AMERICAN COLLATERAL SUPPORT (NACS) PROGRAM


## Lender CHECKLIST

*A quick guide to NACS Program forms and the typical process to which Lenders can refer. All formal correspondence or documents are underlined.*

 The Lender requests to execute a Lender Participation Agreement (LPA) with the Department.

☐ The Lender must be in compliance with applicable laws.

☐ The Lender provides documentation of Worker's Compensation Insurance within **10** working days of executing a Lender Participation Agreement.

 The Lender completes and submits a Collateral Support Application (CSA) on behalf of the Borrower.

 The Borrower completes and submits a Native American Business Owner Certification Form to the Lender.

☐ The Borrower is organized, exists and in good standing under Montana or tribal law.

☐ The Loan must support a Montana Native American-owned business.


☐ The Lender verifies that the Borrower is a Native American-owned business.


☐ The Lender selects the type of cash collateral deposit requested and identifies the payback schedule for years one (1) through and/or up to five (5) for resettlement of the collateral support.


☐ The Lender submits a Collateral Analysis and Review Form in addition to a copy of the collateral analysis contained in their credit presentation/ loan memorandum and an amortization schedule of loan repayment.



## COMMERCE

 The Department will make a determination of a 'fully and properly completed' CSA and let the Lender know by email that the CSA will go to an internal review panel.


 The Lender has **50** working days to execute loan closing documents with the Borrower from the time the Lender receives notice (via email) from the Program that the CSA application has been 'fully and properly completed' and accepted.

 The Department will notify the Lender if an accepted CSA has been approved for collateral support no more than **30** business days after date of acceptance via a Reservation of Funds Letter.


- ☐ The Reservation of Funds Letter will serve as documentation for collateral support in the loan closing process as the actual CD will not be in place until after the loan has closed.

 The Lender and the Department execute a Collateral Deposit Agreement (CDA).

- ☐ Lenders are advised to have the loan officer confer with their legal and operations team review the CDA template as it will actuate the Assignment of Deposit Account and establish a Certificate of Deposit (CD) account.
- ☐ In part, the CDA delineates the total amount of the loan to the Borrower, the amount of cash collateral, the form of cash collateral deposit, the terms and amount of annual resettlement of cash collateral, and the terms of default by the Borrower and Lender.
- ☐ The reservation of funds is valid for **90** days from date of the Letter to the Lender which will allow the Lender and the Department to get the CD account established and documented.

 Resettlement of the collateral deposit will occur annually in conjunction with the closing date of the supported loan.

- ☐ No later than 10 business days after the anniversary of the Loan closing date, the Lender must notify the Department of the amount to be released back to the Department.

 The Lender submits an Annual Business Impact & Loan Status Report for every supported loan utilizing prior year annualized figures due no later than January 16<sup>th</sup> for every year collateral support in place.

- ☐ The Annual Business Impact and Loan Status Report gathers a profile of the supported business' job creation, wage, Montana tax and spending information as well as the balance and status of the supported loan.