

MISSOURI
LINKED  DEPOSIT

Loans to Develop Our Future



CLINT ZWEIFEL
MISSOURI STATE TREASURER

MISSOURI LINKED DEPOSIT PROGRAM

- ✧ The Missouri Linked Deposit Program partners with lending institutions to provide low-interest loans to help create and retain Missouri jobs, expand the economy and strengthen communities statewide.
- ✧ The Missouri Linked Deposit Program helps qualified lenders from Missouri better serve Missouri-based companies and agricultural operations by reducing the interest rate on certain loans that borrowers can use to improve their businesses.
- ✧ State Treasurer Clint Zweifel is committed to making the process simple and the program easy to use, serving as a knowledgeable resource to lenders and borrowers.
- ✧ The Missouri Linked Deposit Program is well-funded with a total of \$720 million available.

THE MISSOURI LINKED DEPOSIT PROGRAM CONTAINS FIVE ELIGIBLE CATEGORIES

SMALL BUSINESS

- Funding to help small businesses grow and prosper
- Borrower must be headquartered and operating in Missouri
- Must have less than 100 full-time employees
- The loan can be used to refinance an existing qualifying loan or for operating or capital expenses

LOCAL GOVERNMENTS

- This newly created category is available to political subdivisions, as defined by the Revised Missouri Statutes, to make capital improvements or to implement significant public programs
- The entity has received the necessary approval from the governing board to initiate the project
- The entity is legally authorized to enter into a loan with a lender for the project.

JOB ENHANCEMENT

- For businesses in the process of expanding or otherwise hiring additional employees, firms are eligible to receive a loan based on the number of employees hired, plus the cost of capital outlay, physical expansion or renovation.
- Borrower must be headquartered and operating in Missouri and have 10 or more employees
- The loan can be used to refinance existing loans or for operating or capital expenses.

LINKED DEPOSIT FUNDING PROGRAMS, continued

AGRICULTURE

- Guaranteed Agribusiness – loans for purchases of shares in co-ops such as ethanol plants
- Guaranteed Livestock – loans for production of livestock or poultry
- Farm Operations – loans to assist established farms for operating funds
- Beginning Farmer – loans to help beginning farmers purchase land, equipment and buildings
- Facility Borrower – loans for a development facility or a renewal fuel production facility

ALTERNATIVE ENERGY – OPERATION OR CONSUMER

- The Missouri Linked Deposit Program for Alternative Energy provides low-interest loans to stimulate alternative energy use, growth and development. Eligibility guidelines have expanded to make loans available to businesses producing energy for sale or for their own use and for consumers wishing to produce their own energy
- Businesses eligible for the Operation category need to be engaged in the production and sale or use of fuel or power from energy sources other than fossil fuels
- Consumers eligible for the Consumer category need to be engaged in purchasing, installing or constructing equipment related to the production of fuel or power from energy sources other than fossil fuels

Local Governments

Eligibility

- A political subdivision as defined by Missouri Revised Statutes (i.e., a local governmental agency with taxing authority).
- Has received necessary approval from governing board to initiate project.
- Is legally authorized to enter into a loan or lease-purchase agreement with a lender for project.
- All necessary permits related to the project have been obtained.
- The project complies with all applicable federal and state laws and regulations.

Local Governments loan proceeds may be used for the following expenses:

The Missouri Linked Deposit Program for Local Governments provides low-interest loans to cities, counties and other political subdivisions for capital improvements or other significant public programs such as:

- Purchasing fire trucks
- Improving infrastructure
- Enhancing public safety

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DEPOSIT PROGRAM LOANS BY REGION

Region	Agriculture	Housing	Job Creation	Small Business	Alternative Energy	Government Entity	Total
Northwest (1)	\$10,565,928	\$0	\$0	\$14,001,872.00	\$0	\$0	\$24,567,800
Northeast(2)	\$17,033,469	\$0	\$0	\$11,355,114	\$0	\$407,404	\$28,795,987
Kansas City(3)	\$3,745,683	\$0	\$0	\$32,056,595	\$0	\$0	\$35,802,278
Central (4)	\$18,242,153	\$9,817,710	\$4,730,000	\$57,293,872	\$0	\$81,138	\$90,164,873
St. Louis (5)	\$545,000	\$0	\$0	\$36,478,854	\$0	\$0	\$37,023,854
Southwest(6)	\$9,721,639	\$4,414,154	\$0	\$46,528,387	\$0	\$343,000	\$61,007,180
Southeast (7)	\$2,549,687	\$1,672,235	\$0	\$14,387,291.79	\$0	\$0	\$18,609,213.79
Kansas City(8)	\$48,000	\$0	\$1,250,000	\$16,314,097	\$0	\$0	\$17,612,097
St. Louis (9)	\$0	\$0	\$2,308,250	\$54,763,009	\$0	\$0	\$57,071,259
Total	\$62,451,559	\$15,904,099	\$8,288,250	\$283,179,091.79	\$0	\$831,542	\$370,654,541.79



PROGRAM PROCESS

Treasurer Zweifel is committed to making the Missouri Linked Deposit Program process simple and the program easy to use for approved lending institutions and borrowers.

1. A borrower applies for a loan at a qualified lending institution. The lending institution applies its normal lending procedures to assess the creditworthiness of the borrower.
2. Once the loan is approved, the borrower or lender expresses interest in the Missouri Linked Deposit Program.
3. The lender works with the borrower to submit the requisite loan and deposit applications via secure online application system found here: <https://www.treasurer.mo.gov/linkededpositloanapps/default.aspx>
4. Treasurer Zweifel's office determines the eligibility of the borrower for the Missouri Linked Deposit Program.
5. Many loans can be approved within 10 business days. If there are problems with the application, Treasurer Zweifel's office will notify the lender so those issues can be addressed prior to approval.
6. The lender is notified if the Missouri Linked Deposit Program loan is approved and the staff works with the lender on placement of the deposit.
7. Upon approval by Treasurer Zweifel's office, the bank pledges collateral, if needed, and Treasurer Zweifel deposits the funds through ACH.

CURRENT LINKED DEPOSIT LOAN VOLUME

(October 2012)

- ❖ The program is funded to \$720 million
- ❖ Current active linked deposits -- \$370,654,541
- ❖ Linked deposits placed for calendar year 2011 -- \$382,572,219

FOR MORE INFORMATION

Resources are available to assist you through the process:

- ✧ Visit our website for additional information
 - Online application
 - General information and requirements about each program are available
 - Data Summary
- ✧ Staff is available to walk lenders through the new online application system
- ✧ Staff is available to answer questions about requirements for the Missouri Linked Deposit Program, such as tax clearance letters, program eligibility requirements and equity calculations.
- ✧ <http://www.treasurer.mo.gov/content/low-interest-loans>
- ✧ Phone: (573) 751-2372
- ✧ Fax: (573) 751-2177
- ✧ linkeddeposits@treasurer.mo.gov

TO ARRANGE FOR A MEETING TO LEARN MORE

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