

Ranchers and farmers facing hardship after the fire that devastated Western and Central Kansas – including Russell, Ellis, Osborne and Rooks County – on Dec. 15 are beginning the long road to recovery. Thousands of acres of land were burned, hundreds of cattle severely injured or lost, along with fencing, homes, trucks, tractors and storage facilities. The State of Kansas Treasurer’s Office understands that it might be difficult for those recovering to assess the full scope of their current needs. We are here to provide support for Kansans that will need long-term aid to rebuild and recover and understands that funds must be deployed quickly to those that need them most.

Linked Deposit Loan Programs Overview

Linked deposit loan programs provide low-cost loans and are operated through the PMIB (Pooled Money Investment Board), the State Treasurer’s Office, and local financial institutions. Financial institutions request funds directly through the State Treasurer’s Office.

Economic Recovery Loans

These loans were designed to provide relief to struggling small businesses and agriculture operations. \$60 million is allocated from the PMIB – loans are approved on a first come, first served basis. If all funds are allocated, a waiting list is maintained for future needs.

The loans are available to any business primarily for commercial or agricultural purposes.

To be eligible for the program, the borrower:

- Cannot have more than 200 full-time employees.
- Needs to have offices or facilities operating in Kansas.
- Must use loan proceeds for operating expenses for a business in Kansas and cannot use loans for personal, family, or household use.

These loans have a 10-year maximum amortization and loan term. The current rate to the financial institution is .25%. Financial institutions can add up to 3.00% for processing and credit risk. Loans can be prepaid any time without penalty.

Loans are limited to \$250,000 per individual or legal entity.

See kansascash.ks.gov for more detailed information.

How Does a Business Apply?

Visit with your preferred financial institution. Not every commercial bank, credit union, or farm credit association offer these loans but every Kansan can qualify when they are established as eligible and credit-worthy.

Questions? Contact us at:
treasurer@treasurer.ks.gov

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Program Mechanics

The financial institution, or lender:

- Makes the loan following their own lending standards and decision-making.
- Determines the rate to the borrower with their own paperwork, while staying within program guidelines.
- Retain the credit risk for the life of the loan.
- Negotiates the term and repayment terms with the borrower.
- Maintains a Participation Agreement with the State of Kansas and submits certification documents at the appropriate times.

The borrower:

- Follows financial and loan requirements as agreed upon by the lender and the borrower.
- Completes and submits a Borrower's Certification of Eligibility for their lender to submit to the Treasurer's Office – the financial institution will have this.
- Certifies that the requirements of the program as set out by the legislature will be followed and submits certification of eligibility every other year.

The State of Kansas Treasurer's Office:

- Receives paperwork from the financial institution granting the loan.
- Approves and certifies the loan, then the PMIB sets the rate based on the market.
- Work in partnership with the PMIB to wire funds to the lender. Funds are typically wired the day after all paperwork has been received and approved.

12/29/21

Interested borrowers should speak with their financial institution. Additional information, including a list of financial institutions already participating, can be found at kansascash.ks.gov under "Financial Services."

Financial institutions needing information can email the State Treasurer's office at treasurer@treasurer.ks.gov

