



INTERCAP Basics

Authorized by statute in 1987

Low-interest, variable rate loan program

Current rate: 1.55%

Changes every February 16

Average over the last 15 years: 2.64%

No application deadline

100% financing; no match requirement

No up-front fees; no pre-payment penalties

Maximum loan amount limited by District's debt authority, outstanding debt, and credit analysis results

Maximum loan term is 15 years, useful life of the project, or statutory limit, whichever is less

School Districts and INTERCAP

203 school districts have utilized INTERCAP funds

335 school projects have been financed with INTERCAP funds

\$42.3 million invested through INTERCAP in school projects

\$75.0 million in INTERCAP loans outstanding as of the end of March; \$7.8 million for schools

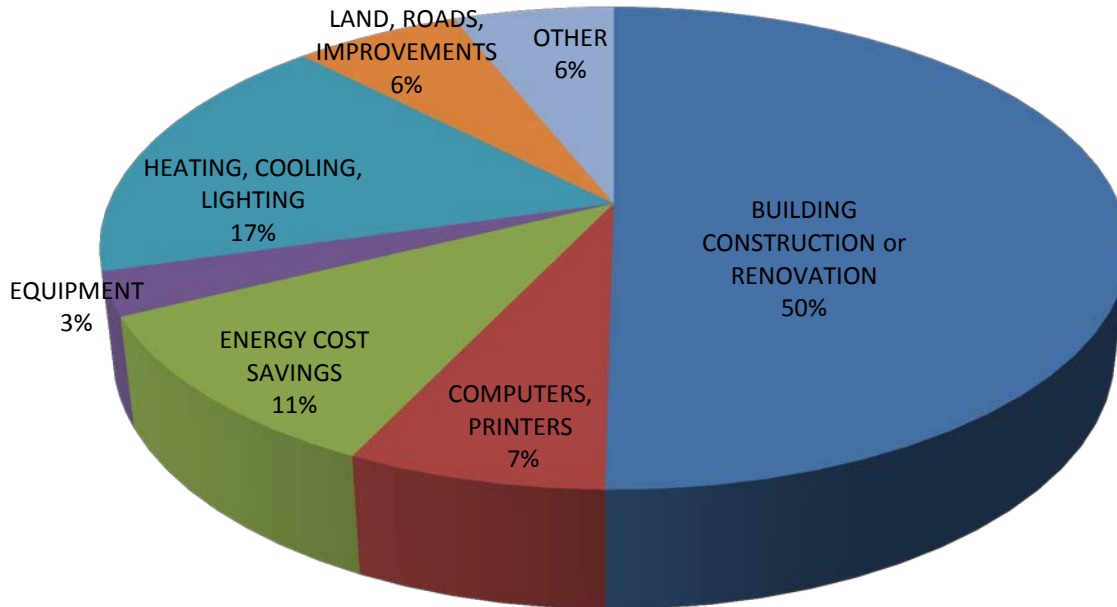
Eligible Projects

Per 20-9-471 MCA, INTERCAP can finance the following types of school projects without a vote:

- New and used vehicles
- New and used equipment
- Renovations within existing walls
- Energy retrofit projects
- Cash-flow shortfalls

New construction must be voted to use INTERCAP per statute

School District Projects



Schools can have three types of loans

1. Building Reserve Fund Loan
2. General Fund Loan
3. General Obligation (GO) Bonds

1. Building Reserve Fund Loan

20-9-502 provides an overview of building reserve levies

Statute sets a five year limit for pledging a building reserve levy

For a loan to be repaid with a NEW building reserve levy:

Complete INTERCAP loan application

Provide copy of resolution calling for the levy, ballot, notice of election, documentation of when and where notice was posted and published, and certificate of election.

For a loan to be repaid with an EXISTING building reserve levy:

Complete INTERCAP loan application

Provide copy of resolution calling for building reserve election, previous and current years' audited financial statement of the building reserve fund, next year's budget.

Term of INTERCAP loan will coincide with expiration of existing building reserve levy up to five years

2. General Fund Loan

20-9-471 provides an overview of general fund loans

Term up to 15 years or useful life of project, whichever is less

Complete INTERCAP loan application

For equipment, vehicles, and renovations that do not require an election, submit financial information for past two years and budget for coming year

For acquiring real property or constructing new or adding onto a facility (including modular homes) that does not constitute more than 20% of the existing real property improvements to a classroom facility, submit financial information for past two years, budget for coming year, copy of the resolution calling for election, ballot, notice of election, documentation of when and where notice was posted and published, certificate of election, and financial information for past two years and budget for coming year

3. General Obligation Bonds

20-9-4 MCA provides an overview of School GO Bonds

Statute allows INTERCAP to purchase GO bonds

Term can be up to 15 years (or useful life of the project)

Complete INTERCAP loan application

Provide copy of resolution calling for bond election, ballot, notice of election, documentation of when and where notice was posted and published, and certificate of election.

Bond Counsel is required at borrower's expense

Energy Performance Contracts

New legislation regarding Energy Performance Contract was adopted during the 2015 Legislature

Rules are being written at this time that may impact INTERCAP's participation in these projects

Work closely with the Montana Department of Environmental Quality

How to apply

Download [application and checklist](#) from: investmentmt.com/INTERCAP

Allow 3-4 weeks for application review; longer if over \$1 million

Contact Julie Flynn or Louise Welsh with questions: 406-444-0001