

Office of Indian Energy and Economic Development (OIEED)

Division of Capital Investment (DCI)

Indian Loan Guaranty Program

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**Division of Energy &
Mineral Development**

**Division of Capital
Investment**

**Division of Workforce
Development**

**Division of Economic
Development**

Division of Capital Investment (DCI)

- DCI provides Loan and Insurance Guaranty to the Tribal & Indian business owner
- Primary goal: provide the best possible economic advice to Indian business owners seeking to manage and develop their business and economic business resources

Program Purpose

- **Government Loan Guarantees**
 - Guarantees business and economic development loans in Indian Country
 - Up to 90% of principal and accrued interest

Legal Authority

- The law governing the program is:
 - 25 U.S.C. 1481 et seq.
 - 25 CFR Part 103
 - 103.26 – covers the items borrowers need to submit to prospective lenders
 - 103.12 – items which the prospective lender adds, in order to complete the application to DCI

Borrower Eligibility

- The borrower must be:
 - an Indian individual,
 - an Indian-owned business entity
 - a Tribal enterprise
 - Tribe

Borrower Eligibility defined

- An Indian individual means:
 - Member of one of the 562 federally recognized tribes
- An Indian-owned business entity means:
 - Legally established entity such as
 - Partnership
 - Corporation
 - Limited liability company
 - Joint venture
 - 51% or more owned by eligible Indians

Borrower Eligibility Requirements

- A borrower's business must be:
 - at least 51% Indian owned
 - during the entire term of the loan
- A borrower's business must contribute to the economy of
 - Reservation
 - Tribal service area (like Oklahoma or Alaska)

Loan Requirements

- Borrower equity
 - Borrower must have 20% equity in the business
 - Cash or unencumbered tangible assets
 - To be used in the business being funded
 - Upon which a lender can secure a first lien

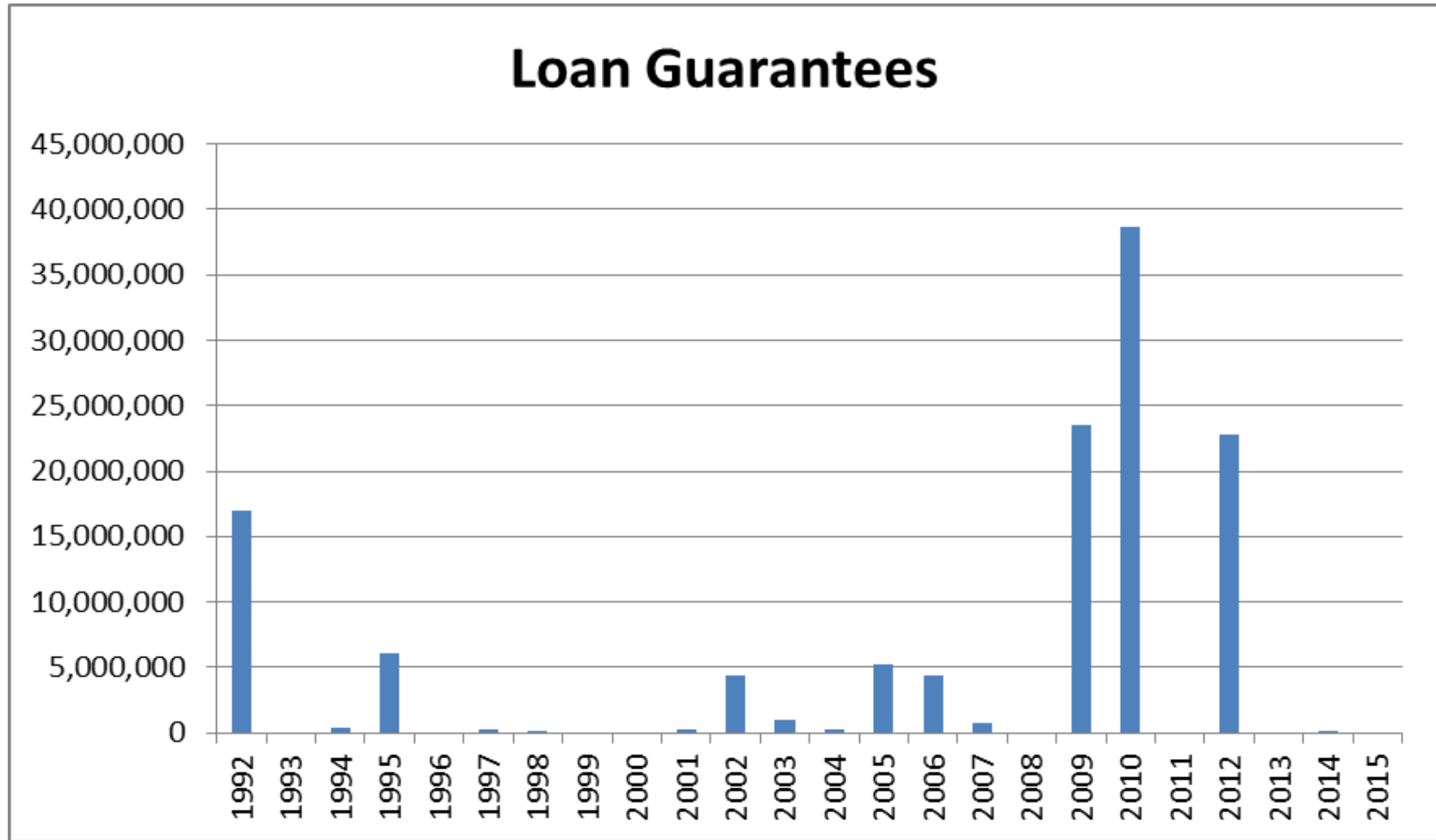
Loan Conditions

- Term of loan
 - Cannot be for more than 30 years including extensions
- Interest rate
 - Must be reasonable
 - Rates charged in the region for loans to similar businesses
- Policy restrictions
 - No loans for gaming
 - No loans for tobacco

Some DCI Statistics

- Since 1974, we have guaranteed almost \$1 billion in loans
- FY16 loan guarantee ceiling of approximately \$100 million
 - Approx \$30 million left for the remaining fiscal year (ends Sept)
 - NW zone has 10 Loan Guarantee
 - NW zone has 4 Insurance guarantees (under \$250K)
- Loss rate of <3% since 1992

Midwest Region (Minnesota to Michigan)



Our DCI Offices

- Program Transition from BIA to Assistant Secretary Indian Affairs
 - Used to be: BIA credit officers in 12 different regions
 - Now: 4 Credit Office Service Centers (COSC)
- 4 Current COSC locations:
 - Anchorage, AK
 - Lakewood, CO
 - Northwest, Rocky Mountain, Great Plains, Midwest
 - Albuquerque, NM
 - Southwest, Western, Navajo, Pacific
 - Washington, DC (central office)
 - Eastern, Southern Plains, Eastern Oklahoma

Division of Capital Investment (DCI)

- For more information about the Loan Guaranty program, contact us at:
 - **720-407-0610 (Lakewood, CO)**
 - Steve.Roda@bia.gov
 - <http://www.facebook.com/IA.IEED>.
- Our website is: <http://www.bia.gov/DCI>