

THE RANGELAND IMPROVEMENT LOAN PROGRAM

APPLICATION GUIDELINES AND FORMS



MONTANA RANGELAND IMPROVEMENT PROGRAM

APPLICATION GUIDELINES and FORMS

This booklet assists individuals, partnerships, associations and corporations in applying for loans under Montana's Rangeland Improvement Program. It describes eligible loan applicants, funding limits, eligible projects and activities, loan approval and funding procedures, and applicant responsibilities. The booklet includes application forms.

If you have any questions email or call:

Stacey Barta
SBarta@mt.gov
406-594-8481

Or

Bill Herbolich
bherbolich@mt.gov
(406) 444-6668

Applications may be submitted to the department at any time.

The Rangeland Improvement Loan Program (RILP) was established by the Montana Legislature in 1979 (**MCA 76-14-111**) and is administered by the Montana Department of Natural Resources and Conservation (DNRC). It promotes rangeland improvement and development.

ELIGIBLE APPLICANTS

Any person may apply for a loan for rangeland improvements on land that will be constructed, developed, and operated in Montana. If the person is a resident of Montana, is engaged in farming or ranching, and possesses the necessary expertise to make the loan practical.

ELIGIBLE PROJECTS

All projects must be approved by the conservation district where only Part 1-Application Summary & Conservation Plan will be reviewed. Part 1 may be prepared in consultation with the United States Natural Resources & Conservation Service (NRCS).

Examples of eligible projects include: stock water development, cross fencing, establishment of grazing systems, reseeding, mechanical renovation, and weed control.

LOAN LIMITS

Loans may not exceed \$100,000 and the interest rate currently is 3.5%. The repayment period may not exceed 10 years, and payments are made annually.

APPLICATION

Loan applications are accepted by DNRC at any time.

The application has three (3) parts:

- **Part 1- Application Summary & Conservation Plan,**
- **Part 2- Environmental Evaluation,**
- **Part 3- Confidential Financial Narrative.**

Part 1 – Application Summary & Conservation Plan

- Applicants must work with their local Conservation District to start the RLIP process.
- **Part 1** is required to be reviewed and approved by the local CD. Once the Local CD approves **Part 1** the CD forwards **Part 1** to the DNRC. The CD is required to let the applicant know their decision within 5 business days.
- After notice of approval for **Part 1** from the CD the applicant is responsible for sending Part 2- Environmental Evaluation to MT DNRC MEPA Coordinator.

Part 2 - Environmental Evaluation (EE)

- Complete the EV located at:
 - <https://dnrc.mt.gov/Conservation/Training-and-Education/>
- Once the EE is complete, mail completed EE to:

- 1539 Eleventh Avenue,
P.O. Box 201601,
Helena, MT 59620.
-
- The applicant is then required to mail **Part 3** of this application to DNRC (Financial Development Bureau, 1539 Eleventh Avenue, P.O. Box 201601, Helena, MT 59620).

Once **Parts 1-3** of the application have been received by DNRC, the Conservation and Resources Development Division (CARDD) reviews the complete application and all supporting documents. If deemed necessary, CARDD conducts a Montana Environmental Protection Act (MEPA) review.

Applications are evaluated to determine technical and financial feasibility. During this process, applicants may be required to submit additional documentation. Other state and federal agencies may be consulted to complete these evaluations. Once complete, a staff recommendation is submitted to the Rangeland Resource Committee (RRC) who will review the application. If the application is approved by the RRC committee, the DNRC director will make the final decision on project funding.

Applications may be submitted hard copy or electronically. Applicants will be notified if application forms and required documentation are not complete and will be given a deadline to complete the requirements.

LOAN TERMS AND CONDITIONS

- Loan maximum \$100,000.
- Current interest rate 3.5% interest for 10 years or less.
- An administrative fee of one (1) percent of the total loan is due at the time of loan closing and will be assessed in addition to the interest rate.
- Loans will be secured by a mortgage on Real Property (Real Estate Mortgage).
- 1st Mortgage value must be at least 125% of loan amount.
- 2nd Mortgage value must be at least 150% of loan amount.
- DNRC will determine the mortgage value.
- Real estate used as security must have access from a public road.
- All costs incident to the loan are to be paid by the borrower. These shall include but are not limited to the following: Title Insurance, administrative fee(s), and filing fee(s).

LOAN APPROVAL PROCESS

- 1) Submit completed **Part 1-Application Summary & Conservation Plan** to local Conservation District (CD):
 - Application needs to be submitted to CD 2 weeks prior to the CD's monthly board meeting.
 - The application **must** be on the Board agenda.
- 2) Conservation District Board of Supervisors will review **Part 1** and approve or reject the plan based on project feasibility at the next scheduled meeting after **Part 1** submission.
 - The CD must notify the applicant within 5 business days of the Board's decision.
 - If approved, **Part 1- Application Summary & Conservation Plan** will be sent to DNRC by the CD.
- 3) Once the applicant has received notice of approval for **Part 1**, the applicant is required to:
 - Email or mail **Part 2- Environmental Checklist** to DNRC's MEPA Coordinator (see pg. #11 for details).
 - The applicant is then required to mail **Part 3- Confidential Financial Narrative**, a current financial statement, and 2 years of cash flow information to the DNRC within 5 business days after notice of approval of **Part 1** from the CD.
- 4) Upon receiving the full application, (**Parts 1-3**) DNRC will forward all application materials to the Rangeland Resources Committee (RRC) for review.
 - After the RRC reviews and provides their recommendation of approval, the application is then sent to the Director of DNRC for final approval.
- 5) After Director approval DNRC will:
 - Order Title Insurance on the real estate to be taken as security.
 - Prepare all loan documents for signing.
 - Assure proper filing of all security documents.
 - Funds will be advanced after all loan documents are signed and filed (loan closing).

Applicants will not be denied because of race, color, religious creed, political ideas, sex, age, marital status, physical or mental handicap, national origin, or ancestry.

RANGELAND LOAN APPLICATION CHECKLIST

Part 1- Application Summary & Conservation Plan (pg. #8-10)

Fill out and submit (pg.# 8-10, found below) to your local **Conservation District**; your local CD will forward to DNRC if approved.

- ✓ Pages #8-10 of Application
- ✓ Conservation Plan of improvements and map (local NRCS can help)
- ✓ Project Narrative

Describe your project; include:

- Who will do the work,
- Schedule of work,
- Where improvement will occur,
- Include timeline(s).

Also include map(s) of your project area including where the improvement(s) will occur as well as the improvement type.

Part 2 - Environmental Checklist (pg. #11)

- ✓ Fill out and print Environmental Checklist.**
 - Forms found here: [Fillable-MEPA-Checklist-and-Instructions--002-4.docx \(live.com\)](#)

Link to the training page for MEPA Projects that include **any ground disturbing activities are not exempt from MEPA and a full [Environmental Checklist](#) is still required with application submittal. This applies to construction projects such as stream restoration for example.

If you **aren't sure or if there is minimal ground disturbing activities as a result of the project, a [Simplified Environmental Checklist](#) is available to streamline the process. Establishing pollinator habitat is an example where the simplified checklist is sufficient.

**Additional resources and both of the checklists are available on DNRC's [Training and Education](#) webpage under Program Training and Resources.

- ✓ Once complete, mail Environmental Checklist and any additional required documents or information (as noted in MEPA documents) to:

**Department of Natural Resources and Conservation
ATTN: MEPA Coordinator
1539 Eleventh Avenue
P.O. Box 201601
Helena, MT 59620-1601**

****If you have questions about the MEPA Environmental Checklist, feel free to reach out to DNRC's MEPA Coordinator:
Samantha Treu, phone: (707) 616-8662, or email: Samantha.treu@mt.gov.**

Part 3 - Confidential Financial Narrative (pg. #13-21) Financial Narrative and supporting documents mail to:

**Department of Natural Resources and Conservation
ATTN: Financial Development Bureau
1539 Eleventh Avenue
P.O. Box 201601
Helena, MT 59620-1601**

Financial Narrative must include:

- ✓ Construction budget (with accompanying cost estimates),
- ✓ Statement of financial condition,
- ✓ Profit or loss statement,
- ✓ Documentation for income sources,
- ✓ Three-year projected operating budget for the project,
- ✓ Description of loan collateral,
- ✓ Abstract of title or other evidence of ownership,
- ✓ Other funding commitments or status documentation.

Part 1 – Application Summary & Conservation Plan

Pg. #8-10 must be filled out and presented for approval to the applicant's local Conservation District. Once approved, the local CD must mail this information to: **Financial Development Bureau, 1539 Eleventh Avenue, P.O. Box 201601, Helena, MT 59620.*

I. APPLICANT INFORMATION

Applicant Name _____

Mailing Address _____

City, State, Zip _____

Telephone Numbers:

Work: _____ Cell: _____ Home: _____

Email Address _____

Contact Person (If different from applicant)

Mailing Address _____

City, State, Zip _____

Telephone Numbers:

Work: _____ Cell: _____ Home: _____

Email Address _____

II. PROJECT INFORMATION

Brief Project Description _____

How long will it take to complete your project or activity? _____

When do you plan to begin your project or activity? Month/Year: _____ / _____

Please Note:

Corporation applicants must submit corporation information as follows: Articles of Incorporation, Corporation By-laws, and complete page 6 of this application.

Partnership applicants must submit a Partnership Agreement.

III. Project Budget - Loan requests cannot exceed \$100,000

Funding Request: DNRC Loan (from page)	\$ _____
Applicant Funds	\$ _____
Other Funding Sources	\$ _____
Total Project Cost:	\$ _____

IV. Authorizing Statement

I (We) hereby declare that the information and all attachments to this application are true, complete, and accurate to the best of my (our) knowledge, and that the project or activity complies with all applicable state, local and federal laws, and regulations.

I (We) further declare that I am (we are) legally authorized to enter into a binding contract with the Department of Natural Resources and Conservation to obtain loan funds if this application receives approval.

INDIVIDUAL

_____	_____
Signature of applicant	Date
_____	_____
Signature of co-applicant	Date

PARTNERSHIP

Name: _____, A Montana partnership
 By: _____, a partner
 _____, a partner
 Date: _____ Taxpayer Identification No. _____

CORPORATION

Name: _____, A Montana corporation
 By: _____, President
 _____, Secretary
 Date: _____ Taxpayer Identification No. _____

Conservation District Approval

Approved (Y/N)	
Conservation District	
Chairman	
Date	

If the application was denied, please explain reasons for denial:

Part 2 - Environmental Checklist

**The Environmental Checklist located [here](#) must be filled out, printed and mailed to: MEPA Coordinator, 1539 Eleventh Avenue, P.O. Box 201601, Helena, MT 59620.*

All applicants must consider the potential environmental impacts of their projects; therefore, an Environmental Checklist is required. Preparation of this document can alert applicants to consideration of location, design, or construction actions that will help to avoid potential adverse environmental impacts or expensive mitigation or construction costs. A project will not be eligible for funding if it would result in significant adverse impact after mitigation. The Environmental Checklist is located at the link below.



***Complete the Environmental Checklist located at:**
[Fillable-MEPA-Checklist-and-Instructions--002-4.docx](#)
[\(live.com\)](#)



*Once the applicant receives approval of **Part 1** from their local Conservation District, the applicant must fill out, print, and mail the completed Environmental Checklist (found at the link above), as well any additional required documentation (noted in the MEPA) to:*

**MEPA Coordinator
DNRC Headquarters
1539 Eleventh Ave.
Helena, MT 59601**

For assistance completing the required Environmental Checklist, use the resources located here: <https://dnrc.mt.gov/Conservation/Training-and-Education/>

If you need further assistance or have questions regarding the required Environmental Checklist, contact your local conservation district.

Part 3 – Financial Narrative and Budget Form Instruction Sheet

**Complete pg. #13-21 of this application.*

***Mail completed forms to: Financial Development Bureau, 1539 Eleventh Avenue, P.O. Box 201601, Helena, MT 59620.*

COMPLETE THE FOLLOWING FINANCIAL NARRATIVE AND BUDGET FORMS

A. Use the budget forms provided. Budgets should estimate costs as completely and accurately as possible. The forms include major expense categories. Amend the budget forms as needed to fit your project.

B. Complete the Financial Statement. It provides the basic statistics about your assets and debts (a copy of a current Financial Statement that has been prepared for another financial Institution may be substituted if it includes all requested information).

CORPORATE INFORMATION

Corporation Name _____

Is corporation in good standing in the state and have corporation fees and taxes been paid? (Yes/No) _____

Total Shares authorized by the Corporation: _____.

Stockholders, Directors, and Officers (include manager if not an officer or director):

NAME	TITLE	DIRECTOR Yes/No	SHARES OWNED	GUARANTEES LOAN – Yes/No
	President			
	Vice-President			
	Secretary			
	Treasurer			
TOTAL SHARES OWNED				

FINANCIAL INFORMATION

- Are there any lawsuits, judgments, obligations pending for or against you? YES___ NO___
- Have you ever declared bankruptcy? YES___ NO___
- Have required income tax returns not been filed? YES___ NO___
- Are any of your tax returns under dispute? YES___ NO___
- Any unpaid deficiencies? YES___ NO___
- Are you a party to a lawsuit? YES___ NO___
- Are you a co-signer, co-maker or guarantor on any other obligations? YES___ NO___
- Does anyone else own an interest in the property listed? YES___ NO___
- Do you have any other contingent liabilities? YES___ NO___

Explain all **YES** answers _____

I (We), the undersigned, have provided this financial statement as part of my (our) application for a loan from the Resource Development Bureau of the Department of Natural Resources and Conservation. I (We) certify that the statement is complete and accurate to the best of my (our) knowledge, and I (we) authorize DNRC to certify any condition of debt described above.

_____ Name	_____ Social Security No.	_____ Signature	_____ Date
_____ Name	_____ Social Security No.	_____ Signature	_____ Date
_____ Name	_____ Social Security No.	_____ Signature	_____ Date

CONSTRUCTION BUDGET

PROJECT COSTS

A. Equipment \$ _____

B. Materials \$ _____

C. Other \$ _____

SUBTOTAL \$ _____

Administrative Fee* \$ _____

**Administrative fee of subtotal 1%, on total loan amount.*

TOTAL PROJECT COSTS \$ _____

PROJECT FUNDING

A. Loan Request--DNRC* \$ _____

B. Federal Funding \$ _____

C. Applicant Contribution \$ _____

D. Other \$ _____

TOTAL PROJECT FUNDING \$ _____
(Total funding must equal total cost)

***Loans cannot exceed \$75,000.**

Cash on Hand in Bank			Notes Payable (unsecured)	
Bonds & Securities	(Sch A)			
Accounts & Notes Receivable	(Sch B)			
Cash Value of Life Insurance	(Sch D)			
			Debts secured by Chattels (Installments due within one year)	
Federal Payment Due & Receivable			CREDITOR SECURITY DUE	
Farm Products on Hand for Sale	(Sch C)			
Cash Invested in Growing Crops	(Sch C)			
Farm Products on Hand for Use	(Sch C)			
Livestock on Hand				
#	KIND	VALUE		
			Term Loan Installments Due Within One Year	
			Taxes, Assessments & R/E Payments Due	
			KIND YEAR DUE	
			State & Federal Income Taxes Due	
			Other Current Liabilities (Itemize)	
TOTAL CURRENT ASSETS			TOTAL CURRENT LIABILITIES	
FIXED ASSETS			DEFERRED LIABILITIES	
Real Estate	(Sch E)		Real Estate Mortgages & Contracts	(Sch F)
			Other Liabilities (Itemize)	
Real Estate Sale Contract Receivable				
Machinery & Equipment	(Sch H)			
Other Assets (Itemize)				
TOTAL ASSETS			TOTAL LIABILITIES	
			NET WORTH	
			TOTAL LIABILITIES & NET WORTH	

SUPPORTING SCHEDULES

- | | |
|--|--|
| 1. Name of Spouse _____
2. Ages of Children at home _____
3. Insurance on Crops \$ _____
4. Insurance on Buildings (Fire, Ext. Cov.) \$ _____ | 5. Insurance on Machinery, Equipment & Livestock \$ _____
6. Your Age_ Physical Condition _____
7. Do you carry health, accident or hospital insurance? Yes__ No__
8. Liability Insurance Coverage \$ _____
9. List Contingent Liabilities (Incl. CCC Commodity Loans):_ |
|--|--|

SCHEDULE A - Bonds and Securities (in your name)				SCHEDULE B - Accounts and Notes Receivable			
No. of Shares or Par Value Bonds	Description	Cost	Market Value	Acct (A) Note (N)	Due from or Payer	Date Due	Amount Due
TOTAL				TOTAL			

SCHEDULE C - Feed and Seed Held for Farm Use - Harvested Crops Held for Sale - and Cash Invested in Growing Crops									
Kind	Market Price Per Unit	Feed and Seed Held for Farm Use		Harvested Crops Held for Sale		Cash Invested in Growing Crops			
		Bu. Tons	Value	Bu. Tons	Value	Acres Owned	Acres Rented	Nature of Investment	Amount
TOTAL				TOTAL				TOTAL	

SCHEDULE D - Life Insurance (include credit life)				Policy Loans		
Insurance Company	Beneficiary	Face Value	Cash Value	Amount Borrowed	Due	From Whom

SCHEDULE E - Real Estate - Owned or Rented				
Acres	OWNED - Title Held By:	Description	County	Statement Value
A				
B				
C				
D				
E				
F				

(Present Market Value of above Real Estate is Estimated at \$ _____, based on _____).
 _____).

SCHEDULE F - Real Estate Debts				
Date Originated	Current Payment	Balance Due	Repayment Terms	Holder
A	\$	\$		
B	\$	\$		
C	\$	\$		
D	\$	\$		
E	\$	\$		
F	\$	\$		

SCHEDULE G - Real Estate Rented					
Owner	Description	Acres	Type of Lease (i.e., FS, BLM, State, Private)	Annual Cost	Expires
				\$	
				\$	
				\$	
				\$	

SCHEDULE H - Machinery Inventory			
Year	Make	Model	Current Value
			\$
			\$
			\$
			\$
			\$
			\$
			\$
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			\$

Name: _____

Real Estate Offered as Security				
OWNED - Title Held By:	Description; Township, Range, Section	Acres	Value per Acre	Statement Value
A			\$	\$
B			\$	\$
C			\$	\$
D			\$	\$
E			\$	\$
TOTAL			\$	\$

Present Market Value of above Real Estate is Estimated at \$ _____, based on:
_____.

Real Estate Mortgage or Contract on Real Estate Offered as Security				
Date Originated	Current Payment	Total Balance Due	Repayment Terms	Holder
A	\$	\$		
B	\$	\$		
C	\$	\$		
D	\$	\$		
E	\$	\$		
TOTAL	\$	\$		

Attach a map on which all real property offered as security is clearly identified and located according to its legal description (real estate used as security must have access from a public road).

Do you lease any of your property that is offered as security? Yes _____ No _____

If so, give your tenant's name, address and conditions of the lease: _____

Is any of the real or personal property offered as collateral on this loan affected by probate or other estate proceedings? No _____ Yes _____ (If yes, explain):

_____ \$ _____
_____ \$ _____

PROFIT OR LOSS STATEMENT

Name: _____ Date: _____

Show your overall financial condition for the past two (2) years and an estimate for the current year.

INCOME SOURCES	YEAR		
	20__	20__	ESTIMATE 20__
Barley	\$	\$	\$
Wheat	\$	\$	\$
Steer Calves	\$	\$	\$
Heifer Calves	\$	\$	\$
Yearlings	\$	\$	\$
Cull Cows	\$	\$	\$
Cull Bulls	\$	\$	\$
CRP	\$	\$	\$
Other:	\$	\$	\$
Other:	\$	\$	\$
Other:	\$	\$	\$
TOTAL GROSS INCOME	\$	\$	\$

OPERATING EXPENSES	YEAR		
	20__	20__	ESTIMATE 20__
Salaries and Employees Benefits	\$	\$	\$
Rent/Leases	\$	\$	\$
Repairs and Maintenance	\$	\$	\$
Feed and Seed	\$	\$	\$
Supplies	\$	\$	\$
Veterinary and Medicine	\$	\$	\$
Gas and Oil	\$	\$	\$
Taxes	\$	\$	\$
Interest Expenditures	\$	\$	\$
Trucking	\$	\$	\$
Living Expenses	\$	\$	\$
Debt Payment	\$	\$	\$
Capital Expenditures	\$	\$	\$
Other (itemize)	\$	\$	\$
Other:	\$	\$	\$
Other:	\$	\$	\$
Other:	\$	\$	\$
TOTAL OPERATING EXPENSES	\$	\$	\$
	\$	\$	\$
NET PROFIT (OR LOSS)	\$	\$	\$

THREE-YEAR PROJECTION FOR THIS PROJECT

Name: _____

Loan repayment period and estimated interest rate used to compute interest and principal on DNRC loan: 10 years maximum or the life of project, whichever is less, at 3.0 percent per year.

PROJECTED INCOME			
INCOME SOURCES	YEAR		
	20__	20__	20__
Increased/Saved Crop Production	\$	\$	\$
Increased Livestock Production	\$	\$	\$
Other Project Income	\$	\$	\$
	\$	\$	\$
TOTAL PROJECTED INCOME	\$	\$	\$

PROJECTED EXPENSES			
OPERATING EXPENSES	YEAR		
	20__	20__	20__
Rent/Leases	\$	\$	\$
Water	\$	\$	\$
Repairs and Maintenance	\$	\$	\$
Feed and Seed	\$	\$	\$
Fertilizer/Chemicals	\$	\$	\$
Gas and Oil	\$	\$	\$
Auto/Freight/Trucking	\$	\$	\$
Insurance	\$	\$	\$
Utilities (Gas, Water, and Electricity)	\$	\$	\$
Other (itemize)	\$	\$	\$
	\$	\$	\$
TOTAL PROJECTED OPERATING EXPENSES	\$	\$	\$

OTHER PROJECTED EXPENSES			
OTHER PROJECTED EXPENSES	YEAR		
	20__	20__	20__
DNRC Payment	\$	\$	\$
DNRC Payment (other)	\$	\$	\$
Other (itemize)	\$	\$	\$
	\$	\$	\$
TOTAL PROJECTED EXPENSES	\$	\$	\$
	\$	\$	\$
PROJECT NET INCOME (OR LOSS)	\$	\$	\$

Comments: _____
