Innovation Technology Loan Fund (LIFT)  
Frequently Asked Questions (FAQs)

Q: **What is the Mission of the LIFT Program?**
A: The LIFT program is an innovation loan fund to support technology advancement. It was established by the 2019 legislative session and is established for the purpose of providing financing for commercialization of intellectual property within the State of North Dakota.

Q: **What are the objectives of the LIFT Program?**
A: The objectives include:
  - To approve loans that have an economically productive or socially desirable purpose within the State of North Dakota and meet the LIFT’s credit standards.
  - To maintain a diversified portfolio of loans that will limit the overall risk in the portfolio.
  - To position LIFT to adapt to varying economic, technological and competitive conditions.
  - To manage LIFT within legislative goals and objectives, appropriate risk limitations and applicable laws and regulations.
  - To leverage LIFT loans with state, federal and private sources of funding.

Q: **What types of companies are eligible to apply for funding?**
A: The legislation outlines companies within the following industries as appropriate for uses of these funds:
  - Advanced computing and data management
  - Agriculture technology
  - Autonomous and unmanned vehicles and related technologies
  - Energy
  - Healthcare
  - Value-added agriculture
  - Value-added energy
  - Any industry or area specifically identified by the committee as an industry that will contribute to the diversification of the state’s economy
Q: Are companies located outside of North Dakota eligible to apply?
A: Yes, however it is the company’s responsibility to demonstrate a substantial economic benefit to the state to be considered for funding. Typically, this means moving the company’s principal place of business, or in some cases, a meaningful division of the company’s operations.

Q: How does the LIFT Committee consider applications for approval?
A: Approval for applications shall be made by the LIFT Fund Committee with consideration given to the following:
- Deliver applied research, experimentation, or operational testing in one or more of the diversification sectors listed above to create information or data to enhance North Dakota companies or industries making investments in North Dakota.
- Lead to the commercialization or patent of an innovation technology solution.
- Result in the development of a new company or expansion of an existing company that will diversify the state’s economy through new products, investment or skilled jobs.
- Company’s ability to repay the loan as evidenced by financial projections.

Q: How may the LIFT funds be used?
A: The use of the loan funds is available to enhance capacity and to the extent possible, leverage state, federal and private sources of funding. Loan funds may be used for working capital such as conducting applied research, experimentation, or operational testing within the state.

Q: Are there restrictions on how the funds may be used?
A: Loan funds may not be used for capital or building investments or for research, academic or instructive programming, workforce training, administrative costs or to supplant funding for regular operations of institutions of higher education.

Q: Who manages the LIFT Program and who manages the LIFT Loan?
A: The North Dakota Department of Commerce manages the program in conjunction with the Bank of North Dakota. The Bank of North Dakota underwrites and manages the loan process.

Q: How much funding is available in the LIFT fund?
A: The LIFT fund is a revolving loan fund. The 2019 legislative session awarded the LIFT fund $15 million. The 2021 legislative session awarded the fund an additional $15 million.
**Q:** What are the terms of the LIFT loan?
**A:** The Bank of North Dakota establishes terms and conditions of the loan:

- Zero percent interest and no required payments for the first three years of the loan;
- Two percent interest, with monthly interest payments, for the next two years of the loan; and
- All principal due at maturity, at the end of five years. In coordination with a local financial institution, the loan may be refinanced at the beginning of year six. The local financial institution will work with the borrower to structure the refinancing and may consult with Bank of North Dakota to access any available commercial loan programs with Bank of North Dakota.

**Q:** Does the LIFT loan require collateral or a guarantee?
**A:** No. There is no personal guarantee or collateral required for the loan. Exceptions exist and Bank of North Dakota reserves the right to require a pledge of collateral or personal guarantee.

**Q:** Is the information on my application confidential?
**A:** N.D.C.C. Chapter 10-30.5-07 provides for confidentiality of corporation records. The following records of the corporation are confidential:

- Commercial or financial information, whether obtained by the corporation directly or indirectly, of any entity in which an equity interest is purchased or considered for purchase, to which a loan has been made, or capital otherwise provided, under this chapter.
- Internal or interagency memorandums or letters which would not be available by law to a party other than in litigation with the corporation.

**Q:** Who determines if a LIFT loan is awarded?
**A:** The LIFT Committee determines a LIFT award. The Committee consists of:

- The Commission of the Department of Commerce or the Commissioner’s designee who shall serve as the chairperson of the committee and is a nonvoting member of the committee,
- Three members representing active venture capital firms, private entities, or angel capital funds,
- One member with finance-related experience, knowledge, or education, and
- Three members from the private sector with expertise in the diversification sectors.

The LIFT Committee determines if a LIFT loan is awarded, and the Bank of North Dakota must underwrite/approve the loan before loan documents are issued. Click here for biographies on the Committee members currently serving.
Q: *How often does the Committee meet and where does the Committee meet?*

A: The Committee meets monthly on the third Wednesday of every month. The meetings are held virtually through Microsoft Teams.

Q: *May I request a Committee Member abstain from viewing or voting on my application due to potential conflict of interest?*

A: Yes. The LIFT applicant may request their application be withheld from review/disclosure (in its entirety) by/to a committee member, and the named committee member abstain from voting. If a conflict of interest exists, the LIFT applicant must provide a detailed, written explanation of any perceived conflict of interest. The LIFT Staff will determine if a conflict of interest exists and will notify the applicant and committee member. A determination by the LIFT staff that a conflict exists, prior to submission of a LIFT application will ensure the committee member who has been deemed to have a conflict of interest will not receive or have access to the application and will not vote or be involved in any substantive conversations regarding the application. Should the LIFT staff determine that a conflict does not exist, the applicant shall have the option to withdraw its application.

Q: *How do I apply for a LIFT loan?*

A: The applicant must complete the LIFT program application. Submit the complete application and its required supplemental information to the Department of Commerce – Economic Development & Finance Division. The application is found on the North Dakota Department of Commerce website [here](#).

The application is a two-step process:

- The first step is to start the application with basic company information – you will then receive an email to create/sign into the Partner Portal.
- The second step is to sign into the Partner Portal and complete the application and upload required supplemental documents.

Q: *What is required to be included in the application package?*

A: The LIFT Committee will review the completed LIFT application and supplemental documents. All items need to be included to be considered for review by the Committee:

- A business plan.
- Historical financial documents, including a balance sheet, statement of cash flows, profit and loss statement and tax returns. Provide three years, unless business has not been in existence for three years, then provide all years in existence.
- Three to five years of detailed financial projections, including a balance sheet, profit and loss statement and a cash flow statement (all of which include appropriate footnotes). Footnotes to include: Pricing structure, projected sales volume/subscribers/etc., employee headcount.
• A pitch deck. Necessary items in the pitch deck include:
  o Description of the intellectual property to be commercialized
  o Commercialization path
  o Market overview and viability
  o Competition
  o Composition of leadership team/Generic finances
  o Usage of funds
• Registered and in good standing with the ND Secretary of State’s Office https://sos.nd.gov/
• Organizational documents.

Q: **What is the process after I have submitted my application with required supplemental documentation?**

A: LIFT Staff will contact you prior to your application going before the LIFT Committee for review. LIFT Staff will schedule a virtual call with you to discuss your application and answer any questions you may have on the LIFT process.

The process is two steps:
  • During the first meeting, the Committee reviews your application and determines if they move your application forward. If so,
  • You will be invited to the following month’s meeting, where you will have five minutes to present and ten minutes for questions and answers. The meetings are held virtually via Microsoft Teams.

LIFT staff will be in contact with you after the initial review to advise you of the Committee’s decision and guide you through the second step of the process.

Q: **If my application is moved forward to present, what happens next?**

A: LIFT staff will schedule a virtual call with you to provide any feedback from the first LIFT Committee meeting and answer any questions you may have. Also, LIFT staff will advise you of the time and location of the next LIFT Committee meeting where you will present your application to the Committee.

Q: **How much time will I have for my presentation to the LIFT Committee?**

A: You will have five minutes to present and ten minutes for questions and answers from the Committee members.
Q: **How will I know if I’ve been awarded a LIFT loan?**
A: LIFT staff will advise you within 24 hours of the LIFT Committee meeting on the Committee’s decision.

Q: **Will the LIFT Committee put contingencies on my LIFT award?**
A: The LIFT Committee may, at its discretion, require contingencies on an award. Typical contingencies may include, the applicant demonstrating their economic development value in North Dakota.

Q: **What happens after the LIFT Committee awards a loan?**
A: The Bank of North Dakota will contact you and begin the loan underwriting process and formal approval of the loan. Once the loan is approved, the Bank of North Dakota will coordinate with the borrower to have the loan documents executed. After execution of the loan documents, you may begin to request advances on the loan.

Q: **How soon will I receive my loan dollars after the Committee has issued an award?**
A: Timing will depend on completeness of financial information received to assist in the underwriting process. If sufficient information is provided at the time of the application, generally the loan approval and execution of loan documents may take up to one month.

Q: **Is there a time limit to when I may draw down funds from the loan at the Bank of North Dakota?**
A: Yes, funds must be drawn upon within 18 months of the loan origination date.