

BEARTOOTH ELECTRIC COOPERATIVE, INC.
Loan for RUS Cushion of Credit
July 25, 2017

BEC Board Approved Loan

The board received competitive loan rates from Cooperative Finance Corporation (CFC) and the CoBank and at the July 25, 2017 board meeting, approved securing a two year loan with CoBank for \$1,030,177 at the interest rate of 2.14 percent for deposit into the RUS Cushion of Credit account paying 5 percent interest per annum. The estimated benefit from borrowing money from CoBank and depositing it in the RUS Cushion of Credit account is \$34,000 over two years.

TWO YEAR TERM								
	2017			2018			2019	
	Required	Baseline	CoBank	Baseline	CoBank	Baseline	CoBank	
Principal			1,030,177					
Rate			2.14%					
Savings			34,404					
Equity	20%	37.41%	37.49%	43.03%	43.22%	41.31%	41.47%	
TIER	1.25	2.38	2.38	1.92	1.94	1.8	1.81	
OTIER	1.1	2.26	2.22	1.8	1.76	1.68	1.68	
DSC	1.25	1.99	1.67	1.86	1.31	1.75	1.45	
ODSC	1.1	1.94	1.61	1.80	1.26	1.69	1.4	

Member Notice for Comment

The BEC board also voted to consider an additional loan of approximately \$1,550,000 for an additional three years for deposit into the RUS Cushion of Credit account paying 5 percent interest per annum with a net benefit of about \$140,000. The BEC board now gives member notice, under the bylaws, to start the 60-day comment period for borrowing that will go over two-years. Opportunities for members to comment include board meetings scheduled for August 29 and September 23. You may also send questions or comments to comments@beartoothelectric.com or contact any member of the Beartooth Board of Trustees.

FIVE YEAR TERM								
	2017			2018			2019	
	Required	Baseline	CoBank	Baseline	CoBank	Baseline	CoBank	
Principal			2,573,576					
Rate			2.43%					
Savings			174,505					
Equity	20%	37.41%	37.60%	43.03%	43.56%	41.31%	42.06%	
TIER	1.25	2.38	2.36	1.92	1.94	1.8	1.82	
OTIER	1.1	2.26	2.15	1.8	1.64	1.68	1.57	
DSC	1.25	1.99	1.71	1.86	1.37	1.75	1.29	
ODSC	1.1	1.94	1.62	1.80	1.27	1.69	1.21	

FIVE YEAR TERM								
	2020			2021			2022	
	Required	Baseline	CoBank	Baseline	CoBank	Baseline	CoBank	
Equity		41.28%	42.23%	41.21%	42.30%	41.09%	41.88%	
TIER		1.7	1.72	1.69	1.7	1.66	1.66	
OTIER		1.58	1.51	1.56	1.53	1.52	1.52	
DSC		1.77	1.28	2.17	1.45	2.13	1.69	
ODSC		1.72	1.21	2.1	1.38	2.06	1.63	