

# MO BUCK\$



*Linked Deposits for small businesses, farms, and communities*



**VIVEK MALEK**  
**MISSOURI STATE TREASURER**

# Program Overview

The MO BUCK\$ / Linked Deposit Program is a statutorily created lending program managed by State Treasurer Vivek Malek. The program strives to expand and strengthen Missouri communities by working with Missouri Banking Institutions to provide low-interest loans to qualified borrowers for business enhancement, growth, and development.

## Program categories include:

- Small Businesses
- Agriculture
- Multi-Family Housing
- Job Enhancement
- Local Governments
- Alternative-Energy focused programs



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# Program Overview *(Continued)*

- In 2022, the Linked Deposit Program went through a rebranding and returned to its original roots with a name change to MO BUCK\$.
- The MO BUCK\$ / Linked Deposit Program has been assisting communities throughout the state since 1985.
- The State Treasurer's Office deposits funds with an approved borrower's qualified banking institution at a below-market interest rate.
- Lowering the market rate on deposits allows the lender to pass along a 30% interest rate reduction on the borrower's loan, resulting in an overall savings to the borrower and economic growth for Missouri communities.



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## Program Overview *(Continued)*

Since Treasurer Malek took office, the Treasurer's Office has approved ~\$281 million in new deposits supporting low-interest loans through MO BUCK\$.



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# 2023 Program Year

- Program Year (PY) runs *October 1, 2022 - September 30, 2023*
- Placed 1,000 loans in the 2023 PY for a total loan amount of \$538,680,927.
  - 96 loans / \$46,640,151 (women-owned businesses)
  - 24 loans / \$38,865,292 (minority-owned businesses)
    - Includes 4 loans / \$10,510,219 (both women/minority-owned businesses)
  - 27 loans / \$12,561,025 (veteran-owned businesses)

# 2023 Top 20 Women/Minority/Veteran-Owned Business Loans - \$50,930,130

| Loan Amount    | Bank Name                | Deposit Type    | Application Region | WBE/MBE/VET |
|----------------|--------------------------|-----------------|--------------------|-------------|
| \$8,008,200.00 | Legacy Bank and Trust Co | Housing         | 6                  | WBE/MBE     |
| \$6,900,000.00 | Central Bank             | Small Business  | 4                  | MBE         |
| \$6,020,000.00 | Hawthorn Bank            | Small Business  | 9                  | MBE         |
| \$3,000,000.00 | Oakstar Bank             | Small Business  | 8                  | WBE         |
| \$2,621,133.00 | Oakstar Bank             | Small Business  | 3                  | MBE         |
| \$2,530,000.00 | Hawthorn Bank            | Small Business  | 4                  | WBE         |
| \$2,360,019.00 | Oakstar Bank             | Small Business  | 8                  | WBE/MBE     |
| \$1,900,000.00 | Wood And Huston Bank     | Small Business  | 7                  | MBE         |
| \$1,700,000.00 | Wood And Huston Bank     | Small Business  | 4                  | MBE         |
| \$1,679,163.00 | Oakstar Bank             | Small Business  | 6                  | VET         |
| \$1,650,000.00 | Hawthorn Bank            | Job Enhancement | 6                  | MBE         |
| \$1,648,431.00 | Hawthorn Bank            | Small Business  | 4                  | WBE         |
| \$1,616,000.00 | Saint Louis Bank         | Small Business  | 9                  | WBE         |
| \$1,600,000.00 | Equity Bank              | Small Business  | 8                  | WBE         |
| \$1,450,000.00 | Oakstar Bank             | Small Business  | 8                  | MBE         |
| \$1,425,000.00 | Oakstar Bank             | Small Business  | 6                  | VET         |
| \$1,280,000.00 | Commerce Bank            | Small Business  | 6                  | VET         |
| \$1,250,000.00 | Equity Bank              | Small Business  | 8                  | WBE         |
| \$1,200,000.00 | Triad Bank               | Small Business  | 9                  | WBE         |
| \$1,092,184.00 | Oakstar Bank             | Small Business  | 6                  | MBE/VET     |



## 2023 Women/Minority-Owned Business Loans by Region Totals

| Region  | Number of Loans | Loan Totals         |
|---|-----------------|---------------------|
| North West                                    | 3               | \$1,349,000         |
| North East                                    | 3               | \$222,000           |
| Kansas City                                   | 10              | \$3,811,133         |
| Central                                       | 36              | \$22,548,549        |
| <u>St. Louis</u>                              | 6               | 1,957,416           |
| South West                                    | 27              | \$17,794,784        |
| South East                                    | 6               | \$3,726,464         |
| Jackson                                       | 13              | \$13,019,521        |
| <u>St. Louis City/County</u>                  | 6               | \$9,662,617         |
| Out of State Application<br>(*Project in MO*) | 6               | \$903,740           |
| <b>Region Totals</b>                          | <b>116</b>      | <b>\$74,995,224</b> |

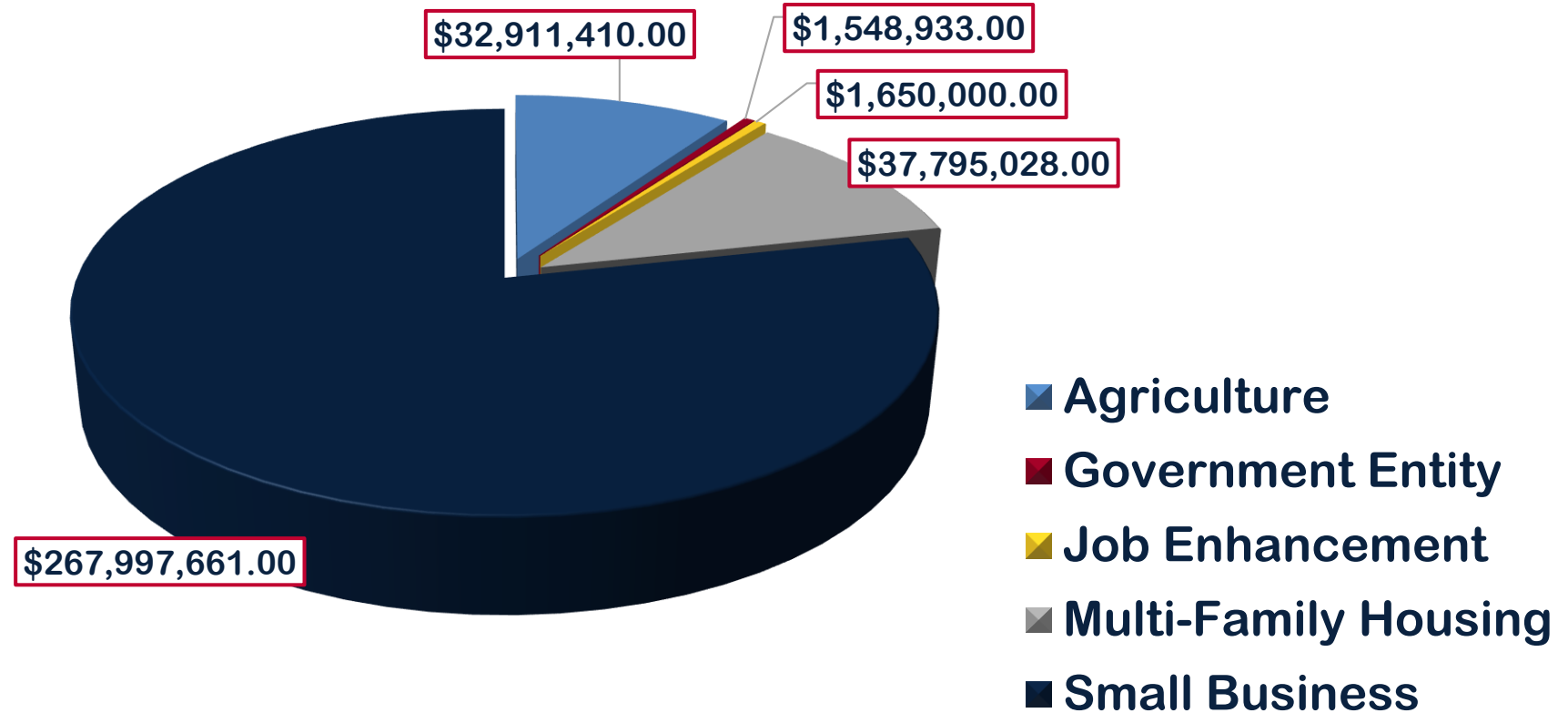
## Veteran Loans

| PY   | Veteran Loans | % of MLDP Portfolio |
|------|---------------|---------------------|
| 2023 | \$12,561,025  | 2.33%               |
| 2022 | \$5,595,779   | 1.92%               |
| 2021 | \$1,729,603   | 0.61%               |
| 2020 | \$6,508,127   | 1.54%               |
| 2019 | \$8,497,145   | 1.63%               |
| 2018 | \$11,749,767  | 3.03%               |
| 2017 | \$4,869,048   | 2.36%               |



# New Deposits

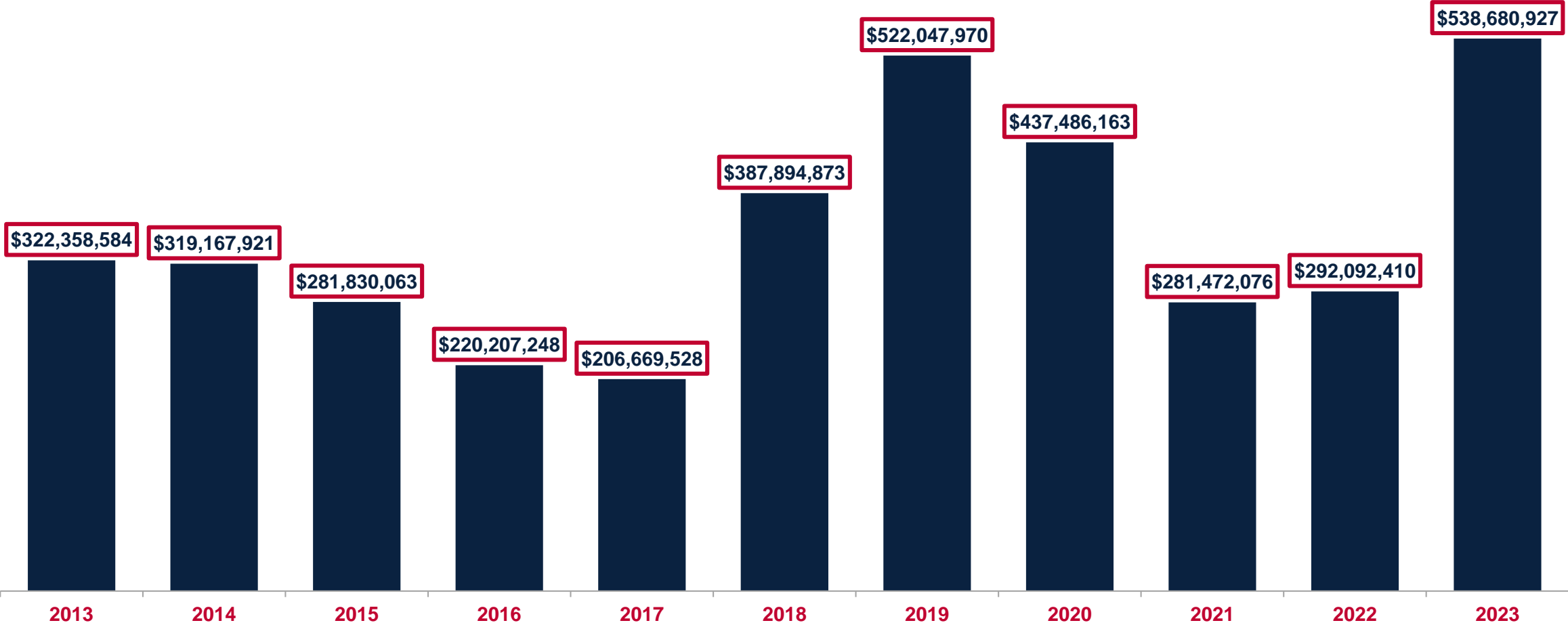
During the 2023 PY, the program issued 450 new deposits/loans totaling \$341,903,032.



**2023 showed an 84% increase in program use from 2022.**

| PROGRAM YEAR | TOTAL LOAN AMOUNTS   | PERCENT INCREASE/DECREASE |
|--------------|----------------------|---------------------------|
| PY2023       | <u>\$538,680,927</u> | 84%                       |
| PY2022       | \$292,092,410        | 4%                        |
| PY2021       | \$281,472,076        | -36%                      |
| PY2020       | \$437,486,163        | -16%                      |
| PY2019       | \$522,047,970        | 35%                       |
| PY2018       | \$387,894,873        | 88%                       |
| PY2017       | \$206,669,528        | -6%                       |
| PY2016       | \$220,207,248        | -22%                      |
| PY2015       | \$281,830,063        | -12%                      |
| PY2014       | \$319,167,921        | -1%                       |
| PY2013       | \$322,358,584        | -16%                      |
| PY2012       | \$382,037,950        | -5%                       |

# Annual Totals by Plan Year



## Annual Totals by Category

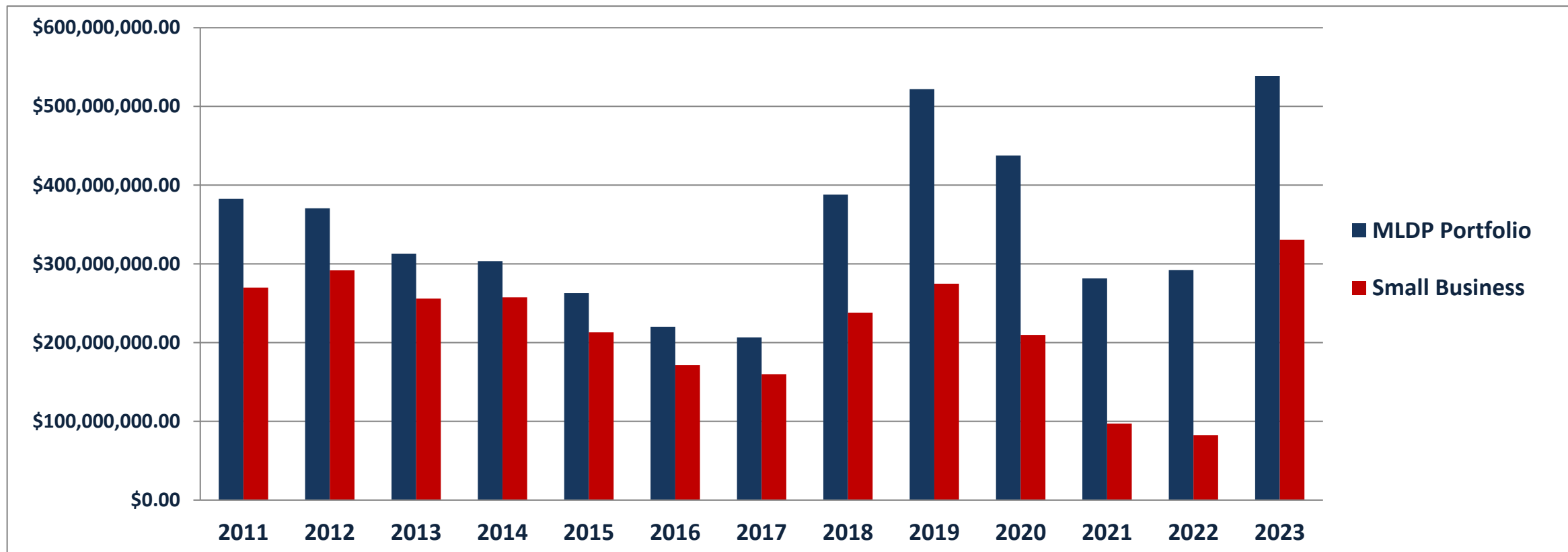
| MLDP Category        | PY 2017              | PY 2018              | PY 2019              | PY2020               | PY2021               | PY2022               | PY2023               |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Agriculture          | \$25,575,146         | \$109,894,675        | \$190,050,304        | \$187,098,565        | \$170,091,834        | \$201,383,185        | \$159,304,804        |
| Multi-Family Housing | \$17,535,003         | \$30,107,304         | \$43,286,367         | \$33,087,328         | \$13,639,700         | \$8,349,862          | \$45,667,203         |
| Job Enhancement      | \$0                  | \$700,000            | \$700,000            | \$0                  | \$0                  | \$0                  | \$1,650,000          |
| Small Business       | \$159,921,379        | \$238,027,410        | \$274,786,750        | \$209,752,941        | \$97,110,542         | \$82,359,363         | \$330,509,987        |
| Alternative Energy   | \$8,000              | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  | \$0                  |
| Government Entity    | \$3,630,000          | \$9,165,484          | \$13,224,549         | \$7,547,329          | \$630,000            | \$0                  | \$1,548,933          |
| <b>Totals</b>        | <b>\$206,669,528</b> | <b>\$387,894,873</b> | <b>\$522,047,970</b> | <b>\$437,486,163</b> | <b>\$281,472,076</b> | <b>\$292,092,410</b> | <b>\$538,680,927</b> |

## Category Breakdown

| MLDP Category        | 2021  | 2022 | 2023   |
|----------------------|-------|------|--------|
| Small Business       | 35%   | 28%  | 61%    |
| Agriculture          | 60%   | 69%  | 30%    |
| Multi-Family Housing | 5%    | 3%   | 8%     |
| Job Enhancement      | 0%    | 0%   | 0.003% |
| Government Entity    | 0.22% | 0%   | 0.003% |
| Alternative Energy   | 0%    | 0%   | 0%     |

## Small Business Participation by Plan Year

- Small Business is currently the largest category in the program and continues to be an important factor in strengthening local communities statewide.



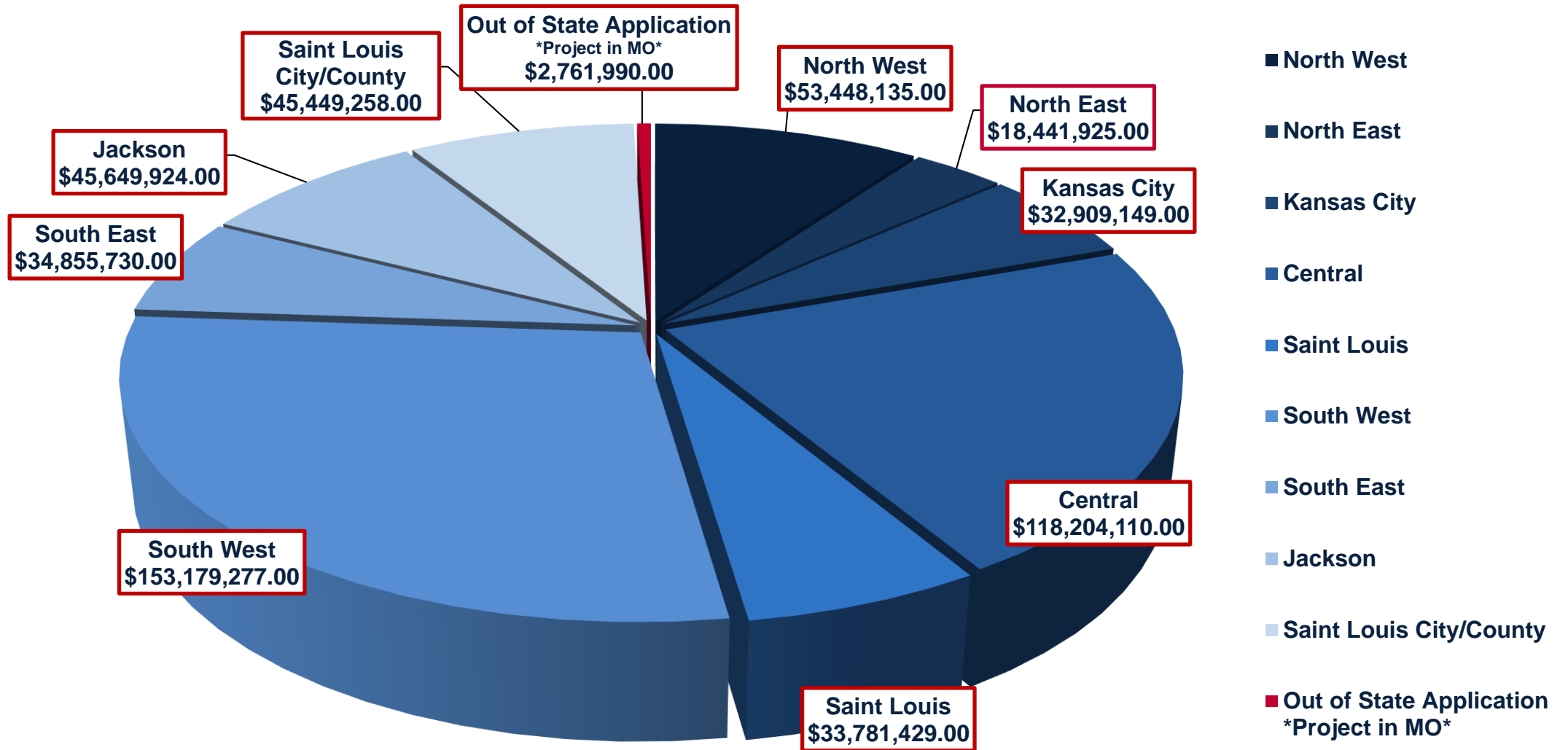
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# 2023 Regional Breakdown



## Top 20 Participating Banks

| Bank Name                             | Total Amount of Deposits | Number of Deposits |
|---------------------------------------|--------------------------|--------------------|
| FCS Financial (900)                   | \$104,707,400.00         | 283                |
| Oakstar Bank (380)                    | \$82,534,008.00          | 97                 |
| Hawthorn Bank (258)                   | \$49,537,133.00          | 67                 |
| Mid Missouri Bank (046)               | \$37,443,200.00          | 107                |
| BTC Bank (031)                        | \$28,711,649.00          | 97                 |
| Legends Bank (357)                    | \$28,034,505.00          | 59                 |
| Equity Bank (325)                     | \$24,150,782.00          | 28                 |
| Belgrade State Bank (025)             | \$18,354,419.00          | 24                 |
| Triad Bank (839)                      | \$18,218,767.00          | 9                  |
| First State Community Bank (170)      | \$16,298,244.00          | 27                 |
| First State Bank Of St. Charles (555) | \$16,210,000.00          | 17                 |
| Legacy Bank and Trust Co (469)        | \$15,046,367.00          | 7                  |
| Busey Bank (117)                      | \$10,312,918.00          | 3                  |
| Farm Credit Southeast Missouri (901)  | \$9,309,000.00           | 16                 |
| Central Bank (259)                    | \$8,514,237.00           | 13                 |
| Wood And Huston Bank (382)            | \$7,736,500.00           | 11                 |
| Heritage Bank of the Ozarks (365)     | \$7,518,088.00           | 5                  |
| Maries County Bank (642)              | \$7,185,886.00           | 28                 |
| Saint Louis Bank (179)                | \$7,062,500.00           | 3                  |
| Commerce Bank (289)                   | \$6,641,779.00           | 16                 |



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## In Summary...

- Due to overwhelming demand, MO BUCK\$ was temporarily closed to all new applicants in May 2023 as it was approaching the cap.
- The primary driver of participation over the years has been the interest rate environment.
- The program is more attractive in rising/higher rate environments and entered another growth cycle with the unprecedented increase in interest rates since March 2022.
- The program was opened up for the *Farm Relief Loan Program* (August 13<sup>th</sup> - October 31<sup>st</sup> of this year) to provide financial assistance to Missouri farmers impacted by the recent drought.
- During PY2023, the program experienced an increase of 84% in the total deposits outstanding.
- We expect rates to level off in 2024 while demand should remain elevated during this higher rate environment.



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