



FOR IMMEDIATE RELEASE

**BELOW BANK PRIME FINANCING
ACCESSED BY TZEACHTEN FIRST NATION**

On September 14, 2012, Tzeachten First Nation became the second First Nation in Canada, working under the FSMA (the First Nation Fiscal and Statistical Management Act), to access loan financing at rates below bank prime. Tzeachten's loan rate is 2.50%.

Tzeachten Chief Glenda Campbell commented:

"Never in my lifetime did I think there would come a time that Tzeachten would have access to affordable financing to enable us to complete multiple capital projects all at one time and on our terms and to be able to utilize those funds for transactions such as land acquisitions."

The FSMA is a voluntary piece of legislation open to all First Nations across Canada. After requesting to be scheduled from the Hon. John Duncan, Minister of Aboriginal Affairs and Northern Development Canada, each First Nation works with the FMB (*First Nations Financial Management Board*) to get certified. Once certified, the First Nation is eligible to become a FNFA (*First Nations Finance Authority*) borrowing member, and can request loans from the FNFA.

FMB's executive Chair, Harold Calla stated:

"Tzeachten demonstrates how becoming certified by the FMB translates into real community benefit. They have committed to strengthening their financial management systems by putting policies and procedures in place that gives all stakeholders confidence. This step will help them achieve the long term vision they have for their community."

The FNFA, working closely with the Bank of Montreal, issued the loan to Tzeachten under its Interim Financing program. These loans are short term in nature and will be rolled into a longer term, fixed-rate loans when FNFA's loan portfolio is a sufficient size. Ernie Daniels, FNFA's CEO added:

"One of the benefits of borrowing through the FNFA for First Nation communities is access to fixed interest rates, over longer amortization terms, up to 30 years, within a pooled borrowing environment. This results in a major reduction in their annual debt service requirements." What this means for Tzeachten is "because of the favourable repayment terms being offered through FNFA, what we currently pay out to debt service a \$1 million loan will leverage almost \$3 million once refinanced, which makes it that much more affordable for us to complete the additional projects we have targeted this year", says Chief Glenda Campbell.

Sean Armstrong, Vice President, BC Interior, North and Yukon for BMO Bank of Montreal said:

"BMO is proud to be at the forefront of another ground-breaking initiative in Aboriginal Banking by providing a second tranche of loans to the FNFA which will then re-advance the funds to the Tzeachten First Nation. Similar to the Municipal Finance Authority of British Columbia, the First Nations Finance Authority will provide capital market financing for infrastructure projects for First Nations across the country. The potential is huge for smaller, more remote First Nations to have access to capital through the FNFA for important infrastructure programs such as roads, water and sewage systems and buildings. This funding will assist in creating economic wealth, jobs and ultimately will provide a better quality of life for First Nations and their membership."

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