The purpose of the SRDC Revolving Loan Fund (RLF) is to directly loan funds to assist with new and expanding business development in the southwest portion of Minnesota. Region 8 encompasses the counties of Cottonwood, Jackson, Lincoln, Lyon, Murray, Nobles, Pipestone, Redwood & Rock.

Eligible Development Projects Include:
Retail/service, manufacturing, agribusiness, healthcare, alternative & renewable energy, environmental, technology-based, & distribution businesses.

For profit, non-profit, & under some circumstances, local units of government.

The company must be located within the boundaries of Region 8.

Other Loan Parameters Include:
Must show affordable financing can not be leveraged with other resources.

Must be matched on a 1:1 basis by a bank or other non-federal source.

1 full time equivalent (FTE) job must be created and/or retained for every $20,000 of loan proceeds from the RLF.

Loan Size: $5,000-$100,000.

Interest Rates: Minimum of 4% Fixed Rate.

Terms:
- Working Capital: 5-7 years.
- Machinery/Equipment: 7-15 years (depending on the estimated life expectancy of the asset).
- Real Estate: up to 20 years.

Balloon Payments are sometimes utilized. Borrower can request extension.

Personal guarantees & collateral assignment of life insurance policies on principals may also be required.

Fees: 1.5% of proceeds at closing, closing fees, legal costs & filing fees.

CHECKLIST FOR APPLICATION

☐ Completed RLF Application Form. RLF Application can be found online at: [http://www.swrdc.org/economic-development/revolving-loan-funds/](http://www.swrdc.org/economic-development/revolving-loan-funds/)

☐ Personal Financial Statement current within 90 days for each proprietor, partner or stockholder with 20% or more ownership.

☐ Business Plan which includes resumes of the principals involved in the day-to-day management.

☐ A Balance Sheet and Income Statement dated within 90 days of the application together with an aging of the accounts receivable and accounts payable listed.

☐ A projected, annualized Income Statement for the first two (2) years after the loan with description of the assumptions attached.

☐ A Schedule of Debts which includes the original date and amounts, monthly payments, interest rates, present balance owed, maturity, to whom payable and collateral securing the loan.

☐ Documentation providing expressed need for gap financing. This could be provided by your lender in the form of a rejection letter or a letter stating maximum terms and conditions of their commitment.

☐ Corporate and Individual Income Tax Returns for the last three (3) years.

☐ A schedule of any previous government financing received by any principals or affiliated companies, including the name of the agency, original date and amount, outstanding balance, status of the loan, and collateral securing the loan.

☐ The names of affiliated (through ownership or management control) or subsidiary businesses as well as the last two fiscal year-end financial statements and a current financial statement for each of these firms.

☐ Certification of Incorporation.

☐ Corporate Resolution authorizing the corporation to borrow money from the RLF.

☐ A copy of current or proposed lease on buildings and/or equipment associated with the business.

☐ Key cost documents (e.g. vendor quotes, contractor estimates, purchase agreements) associated with the project.

☐ $150 Application Fee.

SUBMIT APPLICATION TO:
Robin Weis, Economic Development Director
Southwest Regional Development Commission
2401 Broadway Avenue, Suite 1
Slayton, MN 56172

Phone: 507-836-1638
Fax: 507-836-8866
Email: robin@swrdc.org