

## GENERAL GUIDELINES

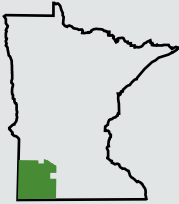
The purpose of the SRDC Revolving Loan Fund (RLF) is to directly loan funds to assist with new and expanding business development in the southwest portion of Minnesota. **Region 8** encompasses the counties of Cottonwood, Jackson, Lincoln, Lyon, Murray, Nobles, Pipestone, Redwood & Rock.

### 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.

# **Revolving Loan Fund**

YOUR RESOURCE FOR GAP FINANCING

## CHECKLIST FOR APPLICATION

**Completed RLF Application Form.** RLF Application can be found online at: <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](mailto:robin@swrdc.org)