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COVID-19 REVOLVING LOAN FUND

A program for preventing, preparing for, & responding to the coronavirus in Southwest Minnesota

Committed to helping Southwest Minnesota respond and recover to the coronavirus pandemic, Southwest Regional Development Commission created a COVID-19 Revolving Loan Fund (RLF) program. This new program is designed to assist in alleviating sudden and severe economic dislocation caused by the pandemic, to provide permanent resources to support economic resiliency, and to further the long-term economic growth of Southwest Minnesota.

Our mission is to provide professional expertise and leadership to enhance regional opportunities.

Eligible Applicants

For profit, non-profit and, under some circumstances, local units of government who have been negatively impacted by the coronavirus pandemic are eligible to apply. Businesses can be start-up, expansions or retention. Businesses must be located in Cottonwood, Jackson, Lincoln, Lyon, Murray, Nobles, Pipestone, Redwood, or Rock County.

SRDC COVID-19 RLF Quick Facts

Application Fee: $150

Origination Fee:
- 1% for non-mortgage (real estate) projects
- 1.5% for mortgage (real estate) projects

UCC & mortgage registry tax & fees covered by origination fee. Additional funds collected for legal review of applications.

Loan Cap: $100,000

Interest: 0% interest for the first 12 months. Fixed interest as low as 75% of the prime interest rate for remaining years

3 Month Deferment Option

No primary lender needed

Funds available for a limited time.

Priority Projects

Priority projects will be those that assist with preventing, preparing for, and responding to the coronavirus pandemic. Projects could include, but are not limited to:

- the installation and/or implementation of CDC recommended safety measures
- working capital
- fixed assets and inventory
- real estate

Loan Parameters

Loans may range in size up to $100,000. The SRDC COVID-19 RLF can function as the sole lender for this loan fund or can be combined with an additional lender(s) to leverage funds.

Interest Rate: 0% interest rate for the first 12 months, with a fixed interest rate as low as 75% of the prime interest rate for remaining years. Interest rate is secured at loan closing.

Example: Prime Rate as of 6/5/2020= 3.25%
SRDC COVID-19 RLF Rate= as low as 2.44% after the first year

Application Timeline

Applications accepted on a rolling basis, but are available for a limited time. The Revolving Loan Fund Committee meets as needed to consider requests. Application is available online at www.swrdc.org.

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