

GENERAL GUIDELINES

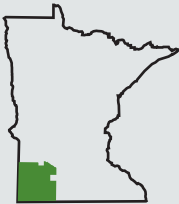
The purpose of the SRDC Revolving Loan Fund (RLF) is to directly loan funds to assist with new and expanding business development in the southwest portion of Minnesota. **SRDC serves** the counties of Cottonwood, Jackson, Lincoln, Lyon, Murray, Nobles, Pipestone, Redwood & Rock.

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 SRDC service area.



Other Loan Parameters Include:

Must show affordable financing can not be leveraged with other resources.

Must be matched on a 2:1 basis by a bank or other non-federal source.

One full-time equivalent job, created or retained, is preferred for every \$20,000 of loan proceeds from the RLF.

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

Interest Rates: Interest rate as low as 75% of Prime

Interest Rate 4% below WSJ Prime; however no less than the lower of 4% or 75% of WSJ Prime.

Repayment 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.

Personal guarantees & collateral assignment of life insurance policies are typically required.

Fees: Up to 1.5% closing fee, 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>
- 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.
- Income Projections** for the first two (2) years after the loan with description of the assumptions clearly identified.
- 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** generated 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.
- 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.
- Organizational Documents** from MN Secretary of State
- 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.
- Credit Score** current within 90 days for each proprietor, partner, or stockholder with more than 20% ownership.
- \$150 Application Fee.**

SUBMIT APPLICATION TO:

Robin Weis, Deputy 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