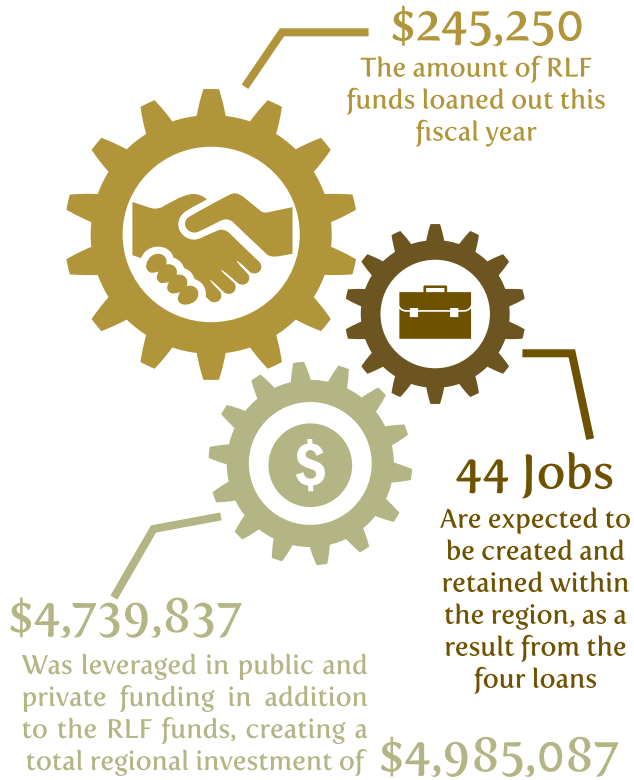


FY17 Highlights



RLF CONTACT INFORMATION

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Upper Minnesota Valley
REGIONAL DEVELOPMENT COMMISSION

Helping Communities Prosper

Revolving Loan Fund

Providing access to affordable capital through gap financing for business start-up or expansion

The RLF awarded \$245,250 which leveraged an additional **\$5.7 million**

The RLF has made **\$6.4 million** in business loans since the loan fund started in 1990.



The RLF has leveraged **\$152.9 million** in other funding for expanding local businesses in the region!

Download the full application at www.umvrdc.org {Revolving Loan Fund}



WHAT IS GAP FINANCING?

Gap financing is described as your total project cost less bank financing and owner equity. The remaining funds needed are the "gap" funds.

Below is an example of what a \$50,000 project may look like:

Total Project Cost	\$50,000
Bank Financing	– \$40,000
Owner Equity	– \$5,000
UMVRDC "Gap" Financing	= \$5,000

ELIGIBLE LENDING AREA

The counties of Big Stone, Chippewa, Lac qui Parle, Swift and Yellow Medicine

TYPES OF ACTIVITIES FINANCED

- Business start-ups or expansions with priority given to manufacturing, technology and/or diversification of the local economy.
- Non-profits are eligible for financing but must meet all other lending requirements.
- Commercial/retail activities must fulfill a local need for essential goods and services and not be in direct competition with a similar business to be eligible for financing.

BUSINESS DEVELOPMENT PRIORITIES

- JOB CREATION
- IMPROVED INCOME LEVELS
- ECONOMIC DIVERSIFICATION
- JOB RETENTION

FINANCING POLICIES

LOAN SIZE

- \$5,000 - \$100,000
- Maximum RLF project participation rate is 33% for manufacturing projects and 20% for all other projects

REQUIREMENTS

- Borrower must demonstrate a gap financing need
- Local bank financial participation is required

TYPE OF ASSETS FINANCED

- Fixed assets
- Working capital
- Real estate

TERMS

- Fixed assets financed up to 10 years
- Real estate financed up to 20 years
- Working capital up to 5 years
- Average financing is 5 - 7 years
- Scheduled balloon payments are utilized

INTEREST RATES

- Not less than 4% below prime with a minimum of 4%
- Most loans are made at 5 - 7%
- Fixed rate

EQUITY

- 10% borrower equity is required

COLLATERAL

- All loans must be secured with available assets, inventory, real estate and personal guarantees

REPAYMENT

- Loan repayments must be made by electronic transfer (ACH) or a participation agreement with the lead lender