Revolving Loan Fund

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

Region 6w

Upper Minnesota Valley REGIONAL DEVELOPMENT COMMISSION
Helping Communities Prosper

FY19 Highlights

$310,000
The amount of RLF funds loaned out this fiscal year

45 Jobs
Are expected to be created and retained within the region, as a result from the four loans

$1,671,099
Was leveraged in public and private funding in addition to the RLF funds, creating a total regional investment of $1,981,099

RLF Contact Information

Laura Ostlie
Community Development Planner

320.289.1981 x 102
Laura@umvrdc.org
www.umvrdc.org
323 West Schlieman Ave
Appleton, MN 56208

Revolution Loan Fund

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

Download the full application at www.umvrdc.org/program/revolving-loan-fund/

The RLF has made $7.2 million in business loans and created and retained 2,917 jobs since the loan fund started in 1990.

The RLF has leveraged $178.1 million in other funding for expanding local businesses in the region!
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.

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 five years
- Scheduled balloon payments are utilized

Interest Rates
- Not less than 4% below prime with a minimum of 4% typically
- Fixed rate interest

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

Eligible Lending Area
Big Stone County | Chippewa County
Lac qui Parle County | Swift County
Yellow Medicine County