

General Guidelines

The purpose of the RNDC Revolving Loan Fund (RLF) is to directly loan funds to assist with new and expanding business development in the south central portion of Minnesota. Region 9 encompasses the counties of Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Waseca & Watonwan.

The for profit business must be located within the boundaries of Region 9.

Eligible Development Projects Include: Retail/service, manufacturing, value-added agriculture, healthcare, alternative & renewable energy, environmental, technology-based, & distribution businesses.

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.
- Loan Size: \$10,000-\$200,000.
- Interest Rates: Minimum of 4% Fixed Rate.
- Terms:
 - Working Capital: 5 years.
 - Machinery/Equipment: 5-15 years (depending on the estimated life expectancy of the asset).
 - Real Estate: up to 25 years.
- Fees: 1.5% of proceeds at closing plus \$800 processing fee, all closing fees and legal costs.
- Personal guarantees & collateral assignment of life insurance policies on principals.

Revolving Loan Fund Checklist

- Completed RLF Application Form.** RLF application can be found at: <https://www.rndc.org/what-we-do/revolving-loan-fund/>
- Business Plan** which includes resumes or bios of the principals involved in the day-to-day operation and management.
- 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.
- A Balance Sheet** 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.
- Personal Financial Statement** current within 90 days for each proprietor, partner or stockholder with 20% or more ownership.
- Corporate and Individual Income Tax Returns** for the last three (3) years.
- 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.
- 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 and use of funds.

Other items that will be collected or obtained:

- Credit report(s)**
- Appraisal reports**
- 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.