



CARES Act Revolving Loan Fund Program Information

Program Policies and Guidelines

- The project must be located within Kittson, Norman, Marshall, Pennington, Polk, Red Lake or Roseau Counties.
- Private, for profit businesses are eligible. Agricultural production is not eligible for financing.
- Generally, loans will not exceed \$150,000.00, In some instances loans larger than \$150,000.00 can be approved at committee's discretion.
- Interest rates are set each month. The initial interest rate for the program will be set at 0% for 24 months and 2% for the remainder of the loan.
- Financial institution participation is recommended in all projects, regardless of the amount of owner equity or investment.
- Financing may not be used by a borrower for any activity that serves to relocate jobs from one labor market (commuting) area to another.
- New businesses must have an equity contribution of a minimum of 10% of the project cost.
- Financing construction projects is not eligible.

Requirements of Loan Recipients

Individual consideration is given to each applicant, and as such the requirements will vary from project to project. In general, the following conditions will apply:

- The business owners are required to provide personal guarantees for the loan amount.
- A life insurance policy on the business owner and/or key personnel sufficient to cover the balance of the loan.
- Actual closing costs will be charged to the borrower.
- Collateral for the loan will be taken, although the Loan Committee may approve a position subordinate to another lender.
- Hazard insurance on the collateral, naming the NWRDC as loss payee, and proof of worker's compensation insurance must be provided.
- Loan recipients will be required to fill out a semi-annual report on the number of jobs created and/ or retained.
- Loan recipients will be required to submit financial statements as required as a condition of their loan.
- Applicants should be aware that information provided in the application procedure is public information and could be available to persons outside the application process if requested.