

## Micro Loan Fund Guidelines Greater Alexandria Industrial Network

<b>Type of Loan:</b>	This is a direct loan. If there are private matching borrowed funds, the loan may be equal to or less than the private financing, but in no case greater than \$10,000 per project. If there are no private matching borrowed funds, the loan may be up to 100% of the project costs, to a maximum of \$5,000 per project.
<b>Use of Loan Proceeds:</b>	Loan funds may be used for all costs demonstrated as essential for the project, including working capital, inventory, machinery and equipment, building and leasehold improvements.
<b>Eligible Applicants:</b>	Any for-profit small business located in Douglas County, Minnesota. Types of businesses may include, but are not limited to, those engaged in manufacturing, retail, service, daycare business and tourism. The form of business, whether a proprietorship, partnership, LLC or corporation, is not a determining factor.
<b>Maximum Available:</b>	\$1000 minimum, up to a maximum of \$10,000.
<b>Interest Rate:</b>	If there are private matching borrowed funds, loan will match the private lender's interest rate. If there are no private matching borrowed funds, the interest rate will be close to the existing prime lending rate.
<b>Loan Terms:</b>	Equal to or less than the private financing, but in no case longer than 60 months.
<b>Collateral Requirements:</b>	In most cases, loans are expected to be fully collateralized by equipment, contracts, inventory or other business property. In some cases, real estate equity will be required. Personal guaranties will always be required.
<b>Loan Position:</b>	Loan will be in a junior collateral position to the primary source of project financing.
<b>Loan Servicing and Costs:</b>	All loan document preparation and legal fees are paid by the applicant.
<b>Loan Approval:</b>	Reviewed by GAIN committee. Funds will be released by AAEDC Director following approval of financing.

Applications will be received on a first-come, first-served basis. Private financing may consist of owner equity, bank or other financial institution financing and/or other public/semi-public financing.

Loan Guideline Policy: These Revolving Loan Fund guidelines may be modified on a case-by-case basis, upon recommendation of approval by the GAIN Committee, in instances demanding appropriate action to address unusual circumstances or unanticipated conditions or opportunities

# GAIN MICRO ENTERPRISE LOAN FUND APPLICATION

Applicant Name(s): \_\_\_\_\_  
Last First

Applicant Address: \_\_\_\_\_  
Street City State Zip

Address/Site Where Project Is Located: \_\_\_\_\_

Applicant Contact: \_\_\_\_\_  
Work Cell Email

Applicant Is A/An: (check one)  INDIVIDUAL  
 PARTNERSHIP  
 CORPORATION  
 SOLE PROPRIETORSHIP  
 OTHER (DESCRIBE) \_\_\_\_\_

Applicant Owns The Property As:  Fee Title  Contract For Deed

Proposed Use Of Funds: (Attach additional pages as necessary)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Total Project Costs: \$ \_\_\_\_\_

Amount Of This Request (Minimum \$1,000): \$ \_\_\_\_\_

Requested Loan Term: (Months or Years) \_\_\_\_\_

Source(s) Of Other (Borrowed) Project Financing: (Include Private Loan Rate & Length Of Term)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Existing Indebtedness On This Property: (Specify Amounts & Mortgage Holders)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Will This Project Create New Jobs For Your Business?  Yes  No

How Many? \_\_\_\_\_ By When? \_\_\_\_\_

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Date