



Microenterprise Loan Guaranty Fund

bladc.org

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Initiative Foundation (www.ifound.org)

Loan Amount	Guaranty of bank loan up to \$50,000 <i>OR</i> 80% of loan, whichever is less
Use of Funds	Operating capital Fixed assets, land and buildings Construction or leasehold improvements Acquisition, renovation or installation of machinery and equipment Limited refinancing, when necessary to consolidate debt
Term of Loan	Bank loan repayment terms may not exceed five years (amortized up to 15 years)
Rate of Interest	Determined by lender
Down Payment (Equity)	Determined by lender; some owner equity commitment preferred.
How Long Does it Take	Guaranty approval process is 7-10 days
Collateral	Determined by lender.
Personal Guarantees	Required of principal owner(s).
Eligible Projects	Loans for land, buildings, equipment and working capital to support start-up businesses or business expansions located in or relocating to central Minnesota. Business must add economic development value to the community.
Ineligible Projects	Absorbing risk or losses from weak or poorly managed companies, refinancing existing debt, alcohol related businesses, pornography, speculative ventures or gambling operations, conventional agriculture
Preferred Borrowers	Nontraditional business owners including women, minorities, young adults and applicants with low net worth. Individuals outside these categories are also encouraged to apply.
Job Creation Criteria	Creation or retention of living wage jobs with broad employee benefits is preferred
Fees	1% loan guarantee fee