

AITKIN COUNTY - MINNESOTA COMMUNITY CAPITAL FUND FACT SHEET

PURPOSE: To provide access to capital for financing economic development projects located in Aitkin County through a flexible loan program.

LOAN AMOUNTS: Minimum loan amount is \$50,000, maximum loan amount is dependent on your location in Aitkin County but at least \$1,000,000. Mille Lacs Electric, Minnesota Power, Great River Energy, East Central Energy and The Kellar Foundation are fund members.

ELIGIBLE APPLICANTS: For profit businesses, non-profit entities, cooperatives and local units of government. A financial institution must be a participant in the project financing.

ELIGIBLE USES: Loans may be used for fixed assets including land and building purchase, building construction, leasehold improvements, machinery and equipment acquisition and renovations, working capital loans secured by fixed assets. Loans may not be used for speculative real estate developments, purchase of equity positions in business enterprises or to refinance existing debt.

INTEREST RATES: Adjustable and fixed rate loans are available, generally around market rate.

TERM LENGTH: Loan term is determined on a case by case basis, usually tied to the collateral offered. Loans secured by real estate generally up to 20 years, loans secured by machinery generally up to 10 years. When possible, loans will coincide with the term of the participating financial institution.

COLLATERAL REQUIREMENTS: Collateral coverage must be 100% of the loan amount, first and shared first security interest, subordinated and shared subordinated security interest will be considered. Personal guarantees will be required of all owners with at least 20% ownership in closely held businesses. Borrower must provide at least 10% equity in the project.

FEES AND CHARGES: A 1.75% loan origination fee and a 0.5% loan underwriting fee along with any other associated legal or loan closing fee shall be paid by the borrower at or before the loan closing.

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