

EDA SMALL &/OR EMERGING BUSINESS REVOLVING LOAN PROGRAM
(EDA SEB RLF)

1. Business must be located in Windom, Minnesota.
2. At least 51% ownership of business by U. S. citizens.
3. Applicant must be a private business that will employ 50 or fewer new employees and has less than \$1 Million in projected gross revenues.
4. Loan recipient must create or retain at least one fulltime job for each \$10,000 loaned.
5. Applications with greatest anticipated economic impact for the community shall receive highest priority. Economic impact criteria include number of jobs created or saved, wage scale of employees, benefits paid to employees, overall investment, and type of business.
6. Eligible Projects:
 - A. Acquisition and development of land and buildings.
 - B. Construction, renovation, or expansion of buildings (including façade repairs, parking areas, and utilities).
 - C. Acquisition of new or used machinery and equipment.
7. Ineligible Projects – Loans cannot be used for:
 - A. Production of agricultural products, except commercial nurseries.
 - B. To finance comprehensive area-wide planning.
 - C. To fund part of a project dependent on other funding unless firm commitment by other funding sources to ensure completion of project.
 - D. To pay off any previous debt or credit card debt. Refinancing construction financing is an exception to this rule.
 - E. Applications by members of the EDA Loan Committee or their immediate family members.
8. Lending Criteria & Terms:
 - A. Amount of Loan: \$4,000 to \$30,000
 - B. Term: 7 Years or Life of Security – Term to be determined by EDA Loan Committee.
 - C. Interest Rate: 3.0% to 6.0% - Typically not exceed prime rate by more than 2.0%. EDA Loan Committee shall determine rate based on risk of loan.
 - D. Security: Highest priority lien available after Primary Lender on real estate, equipment, inventory, etc. EDA Loan Committee may require personal guarantees and/or co-signors.
 - E. If business relocates outside of the City of Windom, the EDA Loan Committee may require immediate pay off of the loan.
9. Application Fee: \$100 (non-refundable)
10. Loan Origination Fee: 1.0% loan origination fee payable to EDA at time of closing on loan. The fee shall be applied to costs associated with processing the application and preparation of loan documents (including credit report fees, UCC and lien searches, filing fees, legal documents, etc.) The EDA Loan Committee may waive or amend this fee structure.

11. Application to be submitted to: EDA of Windom
444 Ninth Street
P. O. Box 38
Windom, MN 56101
12. An application will be considered complete when all information necessary for the EDA Loan Committee (EDA Board) to make a decision has been received. Eligibility of applicants will typically be determined within 30 days of receipt of a complete application.
13. Applicant or representative must present loan application and evidence of need for loan, including financial statements, to EDA Loan Committee. EDA Loan Committee may require written feasibility studies, business plans, market studies, etc. as appropriate for type of business.
14. EDA Executive Director will be available to provide technical assistance with application as needed.
15. In accordance with Federal law and USDA policy, the EDA and EDA Loan Committee will not discriminate on the basis of race, color, national origin, sex, religion, age, disability, or marital or family status.
16. Contact for Program: Drew Hage, EDA Executive Director
444 Ninth Street
P. O. Box 38
Windom, MN 56101
507-832-8661
e-mail: dhage@windom-mn.com