



SOUTHERN MINNESOTA
INITIATIVE FOUNDATION

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Southern Minnesota Initiative Foundation is an Equal Opportunity Lender

BUSINESS LOAN PROGRAM

Innovative Ventures Shaping our Economy

Southern Minnesota Initiative Foundation's (SMIF's) Business Loan Program works in partnership with local lending institutions, economic development organizations and government agencies to help "fill the gap" between available and necessary financial resources.

Investment Amount

Up to \$200,000

Eligibility Requirements

The Business Loan Program targets economic development opportunities to six key areas: bioscience, renewable energy, food/agriculture, manufacturing, and healthcare.

Eligibility Criteria

- Financial participation by local lender is required
- Demonstrated management skills, industry experience and financial aptitude
- Sound business plan with financial projections
- Adequate cash flow to service debt
- Ability to secure loan with tangible collateral
- Creation or retention of living-wage jobs with employee benefits
- Contribution to the region's economic competitiveness
- Committed to and located in SMIF's 20-county region

Use of Funds

- Building acquisition
- Expansion
- Machinery/Equipment
- Inventory
- Working Capital

Loan Terms

- Loans will be considered up to \$200,000; cannot exceed 50 percent of the total project cost
- Interest rates are determined on a case-by-case basis; typically based on market rates
- Loans can be amortized up to 15 years; balloon in 5 years
- Loans need to be fully secured; may be subordinate to the security interest of a bank as primary lender
- Personal guarantees and assignments of life insurance equal to the amount of the loan are generally required
- Loan recipients will be charged a one percent origination fee and all costs of filing, credit reports, searches and attorney fees incurred by SMIF must be paid at closing

Application Process:

- Business Loan Application
- Current business plan
- Two years of business financial statements (existing businesses)
- Two years of business income tax returns (existing businesses)
- Cash flow projections for 24 months
- Personal financial statement(s) of the principal owners
- Two years personal income tax returns of the principal owners

For more information or to obtain a Business Loan Application, contact Diane Lewis at 507-455-3215 or dianel@smifoundation.org, or visit our website at www.smifoundation.org.

Collaborating for Regional Vitality

