

**BUSINESS JUMP START
COMMERCIAL REVOLVING LOAN PROGRAM**

With a Forgivable Component

Revised January, 2025

Eligible Borrowers: A for-profit or not-for-profit that wishes to fill or renovate a commercial space in Rushford that leads to economic benefits as determined by the EDA/City.

Participation:

- City/EDA loan up to \$50,000, not to exceed 40% of total project costs
- The remainder of sources must be obtained by the owner and lender
- Program loan limit of one per location
- City may take a subordinate position if required
- Refinancing existing debt is an ineligible expense

Interest Rate: 2.5%

Terms of Loan: (some terms may be negotiable depending on the needs of the applicant)

- No payment due in the first year – interest is capitalized and added to the original loan before determining the amortization schedule for the length of the loan
- Length of loan: Building or Land acquisition 20 years; Building Renovation 15 years; Machinery/Equipment 7 years; Working Capital/Inventory 1-5 years
- Forgivable Loan Term: 10% of the original loan may be forgiven on each of years 6, 7, 8, 9, and 10 up to a total of 50% of the loan, depending on applicants being in good standing on monthly loan payments, taxes, utilities and any other charges due to the City
- Loan must be repaid if the property is sold or transferred unless approval is received from the City/EDA for another entity to assume or transfer the loan

Program Requirements:

Application Material to be Completed Before Meeting with the EDA

Application Material to be Provided Before Consideration of the Program by the EDA

- Most recent tax return information
- Lender letter of preliminary approval, which includes verification of financial analysis

Material to be provided at or before closing before disbursement

- Certificate of organization, if available
- Purchase agreement, if applicable
- Agreements with City/EDA to include loan agreement, promissory note, borrower's affidavit, guarantee of payment, and mortgage deed to be filed
- Insurance naming City as loss payee
- Payment for legal review and filing fees

Please refer to the City/EDA Business Subsidy/Revolving Loan Fund Program Guidelines for more details or to clarify other questions on terms or conditions. The EDA reserves the right to request additional financial information or details before deciding on a loan request.

Business Jump Start Application
Material Required Before Meeting with the EDA
Revised January 2025

Thank you for your interest in the Rushford EDA Business Subsidy & Revolving Loan Program. Please fill out all required sections and provide the necessary documentation. Incomplete applications may result in processing delays.

Section 1: Applicant Information (*Basic details about the business*)

1. **Business Name:** _____
2. **Type of Business (For-Profit/Not-for-Profit):** _____
3. **Business Address:** _____
4. **Contact Person:** _____
5. **Phone Number:** _____
6. **Email Address:** _____

Section 2: Business Overview (*Description of the business and its operations*)

1. **Describe Your Business:** *Briefly overview your products or services.*

2. **Management Experience:** *Outline the experience of your management team.*

Section 3: Project Details (*What the loan will be used for*)

1. **Project Description:** *Explain what the loan funds will be used for (e.g., building renovation, equipment purchase).*

2. **Location of Project:** _____
3. **Total Project Cost:** \$ _____
4. **Amount Requested from City/EDA Loan Program:** \$ _____
(up to \$50,000, not to exceed 40% of total project costs)
5. **Other Sources of Funds:**
 - o Lender: _____ Amount: \$ _____
 - o Owner Contribution: _____ Amount: \$ _____
 - o Other: _____ Amount: \$ _____

Section 4: Loan Terms (*Specify loan details you are requesting*)
Requested Loan Term:

- Building/Land Acquisition (up to 20 years)
- Building Renovation (up to 15 years)
- Machinery/Equipment (up to 7 years)
- Working Capital/Inventory (1-5 years)

Section 5: Required Documentation Checklist

Ensure all required documents are provided as outlined below. If this project is financed, the lender may submit certain documents directly.

Application Material After Meeting with the EDA and Before Their Consideration of the Commercial Revolving Loan Fund Program:

- Most recent tax return**
- Lender letter of preliminary approval, which includes their verification of financial analysis**

Documents Required Before Closing and Disbursement Following Approvals by the EDA & City Council:

- Certificate of Organization (if available)**
- Purchase Agreement**
- Agreements with City/EDA (*loan agreement, promissory note, etc.*)**
- Insurance Naming City as Loss Payee**
- Payment for Legal Review and Filing Fees**

No additional information is required unless requested by the EDA.

Submit Completed Application to:

City Administrator
City of Rushford
101 N. Mill Street, PO Box 430
Rushford, MN 55971
Email: rushford@acegroup.cc
Phone: 507-864-2444

Please review the City/EDA Business Subsidy/Revolving Loan Fund Program Guidelines or contact our office for more information.