

Loan Program

Start-ups and businesses looking to expand can tap into our loan program to supplement or complement financing.



Supporting Business Growth and Expansion in the Region

We're passionately committed to unleashing the full, dynamic potential of west central Minnesota, in large part by investing in its economic development.

SINCE 1986



\$59M

in loans distributed



\$302M

loan dollars leveraged



9,100+

jobs created or retained



1,280+

businesses impacted

We look to finance loans that create new or better-paying jobs, have a true financing "gap," result in the redevelopment of vacant or underutilized property, or retain business.

Small Enterprise Loan Fund

Our Small Enterprise Loan Fund primarily provides loans from \$1,000 to \$50,000 to businesses in the manufacturing or service sectors. Retail businesses are eligible for loans if we determine they don't compete with others in their immediate trade area.

- Bank financing or a lead lender is not required.
- Typically, these loans are to retail, service, manufacturing, or startup businesses.
- Borrowers can use loan funds for fixed assets and working capital.
- Typically, a minimum of 10% equity is required.

Access to Capital Loan Fund

Through our Access to Capital Loan program, we'll match bank loan amounts up to \$75,000.

- We offer a fixed rate, 5-year balloon, and amortization to match the bank.
- Typically, a minimum of 10% equity is required.
- We may expedite review based on bank write-up.



Learn More

Scan to for more information about our loan offerings, including applications.

Business and Industry Loan Fund

The Business and Industry Loan Fund offers loans from \$20,000 to \$300,000. These loans target several key industries, including manufacturing, technology, local foods, agriculture, and health care. We work in partnership with local lending institutions, economic development organizations, and government agencies to help “fill the gap” between available and necessary financial resources. Projects require primary financing through a bank.

- As a gap lender, we typically finance 10%-40% of the total financing package.
- We offer a fixed rate, 5-year balloon, and amortization to match the bank.
- Typically, a minimum of 10% equity is required.
- This program is compatible with SBA 7a and 504 financing.

Child Care Loan Fund

We offer loans of up to \$3,500 for home-based child care providers. Center-based providers may be eligible for additional funds. Borrowers must use the loan to open or retain child care slots in our region. Most loans are related to improvements for property to be licensed or to expand licensed space.

- See Small Enterprise Loan Fund guidelines above for additional information.
- Interest rates are below market rate.

The Good Food Loan Fund

The Good Food Loan Fund offers lower-interest loans (up to \$15,000) to support new and existing small-scale farmers. We encourage under-served segments of the farming population who do not have the availability of traditional financing to apply.

- Borrowers should demonstrate a commitment to farming in our region.
- Funds can be used for inventory, supplies, working capital, and equipment/machinery.
- Funds cannot be used for conventional agriculture or real estate.
- Offers a 3.5% interest rate and no loan origination fee.

Types of Loans We Can't Typically Finance

Although we do our best to accommodate applicants, we typically can't finance certain types of loans, including loans for:

- Projects with no equity investments.
- Applicants with poor credit histories.
- Businesses that are unduly speculative or lacking a business plan.
- Businesses brought into or relocated within our region without creation of new jobs.
- Businesses that are unduly competitive with businesses in the same trade area.
- Governmental entities.
- Consumer loans.
- Real estate development (speculative development).
- Refinance existing debt.

► *Funding partners include the McKnight Foundation, Minnesota Department of Employment and Economic Development, U.S. Department of Commerce: Economic Development Administration, and USDA Rural Development.*

► *West Central Initiative is an equal opportunity provider, lender, and employer.*

► Additional Resources

If you need help creating a business plan, finding a potential retail space, identifying cash flows, and beyond—our region is home to many organizations that can help make your idea a reality.

- Alexandria Area Economic Development Commission offers free business coaching.
- Greater Fergus Falls offers free coaching and consulting.
- SCORE Prairie and Lakes offers free counseling for startup and small businesses.
- West Central Small Business Development Center provides professional expertise and guidance.
- Stevens County Economic Improvement Commission offers business coaching.

► Application Process

We encourage you to visit wcif.org/loans/loan-applications for more information about our loan offerings, including the applications. Before applying for a loan, please contact one of our team members listed below. We review applications as we receive them.

► Connect with Us



► **Greg Wagner**
Director of Business & Economic Development
greg@wcif.org
218-998-1621



► **Phil Hintz**
Loan Officer
phil@wcif.org
218-998-1635