

City of Osakis Revolving Loan Fund Guidelines

	COMMERCIAL	INDUSTRIAL
APPLICANT ELIGIBILITY	*Fee Title Owner	*Fee Title Owner
LOAN AMOUNT	*\$50,000 Maximum *Not more than 50% of private funds *Not less than \$5,000	*\$50,000 Maximum *Not more than 50% of private funds *Maximum \$10,000 per new job created *Not less than \$5,000
TYPE OF LOANS	*Direct Secondary Loans	*Direct Secondary Loans
ELIGIBLE COSTS	*Acquisition for demolition, building rehabilitation Improvements, demolition of Non-functional buildings and Public facilities	*Land, building, machinery, equipment, working capital relocation, demolition, & public facilities
LOAN TERMS	*Equal or less than private Portion of loan	*Equal or less than private Portion of loan
LOAN INTEREST RATE	3% below current U.S. T Note rate or 6%, whichever is higher	*3% below current U.S Treasury Note. rate or 6%, whichever is higher
PRIORITY	*Building rehabilitation *Public Facilities/Improvements *Demolition of non-functional buildings *Acquisition for demolition *First come – first serve	*Expansion of existing Industry *Creation of new business *Demo of non-functional buildings *Job Creation *Job Retention *Building Rehabilitation *Equipment Acquisition *Public Facilities *Working Capital *First come – first serve
LOAN SERVICING	*Service cost, loan fees and legal fees paid by applicant	*Service cost, loan fees and fees paid by applicant
LOAN APPROVAL	*Reviewed by City Budget Committee; approval by City Council *Approval by private financial Institution *Release of funds by City Clerk	*Reviewed by City Budget Committee; approved by City Council *Approval from private financial Institution *Release of funds by City Clerk
INDEBTEDNESS	*Existing indebtedness shall not exceed 80% of City Assessor’s Estimated Market Value	
LOAN POSITION	*Loans will be in a junior collateral position to the major source of project funding, unless revolving loan fund Proceeds are the primary source of funds.	
LOAN GUIDELINE POLICY	*The revolving loan guidelines may be revised by the Osakis City Council on a case-by-case basis in instances demanding appropriate action to address unusual circumstances or unanticipated conditions	
LOAN SECURITY	*All City revolving loans will be secured by a mortgage taken on the property to be improved	