

Services

South Central Dakota Regional Council's loan program provides accessible, flexible loans to strengthen, create, or assist businesses and job opportunities. This gap financing program's purpose is to encourage lenders to extend a loan.

Eligible applicants are businesses within the nine counties of Barnes, Dickey, Foster, Griggs, LaMoure, Logan, McIntosh, Stutsman and Wells.

Under federal guidelines, the **Regional Council's** loan program requires a lead lender and job creation or retention.

South Central Dakota Regional Council also offers business consulting services at no charge through the Small Business Development Center.

Call to make an appointment or for information.

South Central



DAKOTA



Regional Council

Duane Spooner

Loan Servicing Manager
dspooner@scdrc.org

Fred Wolff

Financial Analyst
fwolff@scdrc.org

120 Second Street Southeast
Jamestown, ND 58402-0903
Phone: 701-952-8060

Relay North Dakota:
800-366-6888 TTY, 800-366-6889 Voice

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South Central

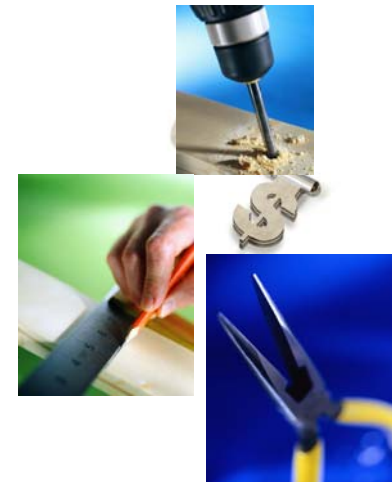


DAKOTA



Regional Council

Loan Programs



Providing tools to build your business

For Information,
Call: 701-952-8060

We Offer Gap Financing!

Gap financing through the **South Central Dakota Regional Council** has several advantages to local lenders and borrowers. The **Regional Council** is able to work with local lenders to provide matching loan funds to qualified borrowers, and does not require priority collateral to secure our portion of the loan.

Gap financing can fill the financial requirement between what the borrower needs and what the lender can provide, a win-win solution for both lender and borrower.

Lenders mitigate their risk by financing a portion of the total loan amount, while holding senior lien on the loan collateral, leaving the **Regional Council** to finance the balance.

Using the **Regional Council** gap financing, borrowers have more flexibility. As an example, should the borrower need additional loan funds at a later date, the lender may not need additional collateral, since the lender already holds collateral that exceeds the value of the first loan to the borrower.

To get more information on gap financing and the various loan programs, please contact the **South Central Dakota Regional Council** at (701) 952-8060.

South Central Dakota Regional Council administers three economic development loan programs to assist in gap financing to start and grow businesses in the nine counties of Region VI. The application process includes submitting a loan application, cover letter, business plan and financials to the Regional Council for review by the staff and presentation to the Regional Council's Loan Review Committee. Business owners, entrepreneurs, economic developers, and/or bankers may contact Regional Council staff to obtain a loan application.

All three loan programs require:

- a matching lender,
- 10 percent equity, and
- a first or second position on collateral.

Additional requirements for each program are as identified below.

| | Community Development Loan Fund | EDA Revolving Loan Fund | USDA Intermediary Relending Program |
|-----------------------|--|---|--|
| Borrower | Primary, Retail, Service Sector Business | Primary, Retail, Service Sector Business | Primary or Retail Sector Business |
| Funding Limit | Minimum of \$10,000. Up to 50% of project | \$130,000 maximum, \$2,500 minimum. Up to 33% of project | \$100,000 maximum, Up to 50% of project |
| Terms | Fixed assets 20 to 25 years Equipment 5 to 7 years Inventory 3 to 5 years Working capital, 1 to 3 years | Fixed assets 8 to 10 years Equipment 5 to 7 years Inventory 3 to 5 years Working capital, 1 to 3 years | Real estate 10 to 30 years Fixed assets 7 to 10 years Equipment & machinery, 5 to 10 years Inventory and working capital 3 to 5 years |
| Match | 1:1 match | 2:1 match | 1:1 match |
| Qualifications | Job development, 1 job per \$35,000 | Job development, 1 job created or retained per \$10,000 | Job development |