

Brooklyn Park Real estate and Equipment Loan Fund

Purpose: to assist small to medium existing or new to Brooklyn Park businesses expand in the community

Loan Amounts:

- \$25,000-\$300,000
 - o At least 50% of the project financing must come from a private lender or another source for loans over \$100,000
- Loans \$25,000 to \$100,000 do not need a bank match but may require greater equity commitment from loan recipient, as determined by the underwriting process
- The underwriter can work with loans greater than \$100,000 to determine the appropriate private financing match and equity contribution

Interest Rate and Loan Term:

- Up to 7 years for equipment and machinery
- Up to 15 years for leasehold improvements and real estate purchases

Generally, the term to maturity shall not exceed the term of the private lender when applicable.

- The interest rate shall not exceed prime -1.
- In the event there is a private lender match the interest rate shall not exceed the rate of the private lender.
- Interest rates shall be fixed for the term of the loan and will be set upon approval of the loan

Eligibility:

Location: All projects must take place in the City of Brooklyn Park

Type of Business: Must be a “for-profit” business

Private Bank Contribution: At least 50% of the project financing must come from a private lender or another source for loans over \$100,000

Other: Applicant must not be delinquent or in default of federal, state, or local taxes

Eligible Uses:

- Purchase of fixed assets including land, building, and machinery and equipment
- Leasehold improvements including façade renovations
- Debt refinancing
- Energy efficiency upgrades such as HVAC improvements, solar panel installations, etc.
 - o \$100,00 is the maximum loan amount for projects that are solely for energy efficiency upgrades

Fees:

Processing Fee: 1.5% loan packaging and processing fee will be charged to all borrowers

Servicing Fee: .5% of the outstanding loan balance will be charge on an ongoing basis and will be incorporated into the rate charged to the borrower

Legal and Other Loan Related Fees: Borrowers are responsible for paying all legal and other loan closing costs