

Loan applicants and lending partners are encouraged to discuss potential financing projects with Business Finance Program staff.

ELIGIBILITY OVERVIEW:

- Eligible for financing are fixed assets such as land, buildings, and equipment; working capital; and refinancing of existing debt.
- Collateral, as needed, may include the full range of business assets and may be subordinated to the interests of other lenders. Personal guarantees are also needed from applicants with a significant ownership stake.
- Nonprofit organizations may qualify when their focus aligns with the Northland Foundation’s mission and they meet all other requirements.
- Applicants must demonstrate creditworthiness and meet certain social criteria such as leveraging private sector investments, creating and/or retaining quality jobs, or employing low-income persons.
- Business Finance Program applicants must be located in Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, or St. Louis County in Minnesota, or in Superior/Douglas County, Wisconsin.

The Northland Foundation is an equal opportunity employer and lender.



MISSION STATEMENT

The Northland Foundation invests in people and communities to support a thriving Northeast Minnesota.

VALUES

Integrity. Be solid partners — ethical, reliable, and transparent. Keep the mission and values at the forefront. Walk the talk.

Respect. Listen with an open mind. Honor different cultures, traditions, and beliefs. Practice kindness.

Empowerment. Trust communities to know their own challenges and strengths; self-determination is a key to long-term success. Encourage that all voices be heard and all gifts valued. Meet people where they are.

Inclusiveness. Challenge ourselves, and others, to acknowledge privilege in all its forms. Be intentional to break down barriers and bring people together. Treat everyone equitably.



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LINKING BUSINESSES WITH THE CAPITAL TO SUSTAIN AND GROW

LENDING FOR A VIBRANT REGIONAL ECONOMY



The Northland Foundation provides flexible, reasonably priced financing to eligible small and medium-sized businesses, usually in conjunction with other lenders. The main goals of the program are to stimulate private sector investments and create and retain jobs, which enhance the region's ability to grow and prosper.



If you would like more information about the Northland Foundation's Business Finance Program, please contact Michael Colclough, Business Services Director, by phone at 218.723.4040 or email at michael@northlandfdn.org.

BUSINESS LOANS

There are two types of business loans: Direct Loans originated by the Foundation and Participation Loans in which the Foundation purchases part of a loan from another lender. In partnership with area banks, Northland offers loans to increase the availability of bank credit that may not otherwise be extended to the applicant.

- Loans generally range from \$50,000 to \$500,000.
- Loan term and amortization are based on the assets financed, collateral securing the loan, and needs of the business.
- Loans may be subordinated to the interests of institutional lenders to encourage their involvement.



EMERGING ENTREPRENEUR LOANS

Emerging Entrepreneur Loans offer financing to northeastern Minnesota businesses that are majority owned and operated by **minorities, women, veterans, low-income persons, and/or persons with disabilities**. The Northland Foundation offers these loans in partnership with the Minnesota Department of Employment and Economic Development (DEED).

- Interest rate, collateral requirements, and other terms of each loan are set by the Northland Foundation. However, the interest rate may not exceed the Wall St. Journal prime rate plus 4%.
- The State's share of an Emerging Entrepreneur loan can range from a minimum of \$5,000 to a maximum of \$150,000 per project, with State funds matched at least 1:1.



QUICK TURN LOANS

Quick Turn Loans offer financing up to \$150,000 made in concert with the borrower's bank. Refinancing of existing debt may also qualify. The advantage of this product is the fast turnaround time; staff typically make approval decisions within three days of receiving project information from the participating bank. Applicants must work with their bank to initiate a Quick Turn Loan. The loan must also be primarily secured by fixed assets such as land, buildings, or equipment.

- Up to \$150,000 is available in Northland financing, matched by equal or greater bank financing.
- Qualifying loans are secured by fixed assets such as land and buildings, equipment, etc.
- Loans may provide 100% loan-to-value financing; the combined total of Northland and bank financing may not exceed 100% of the value or cost of the assets that secure the loan.
- The approval process usually takes up to three days, based on review of bank credit analysis.

