



**Fairfax Housing and Redevelopment Authority and
Economic Development Authority
Business Loan Program**

Application

Return Application To:

**Fairfax HRA/EDA
18 1st Street SE
Fairfax, MN 55332**

Email: admin@fairfax-mn.gov

Overview:

The purpose of the Fairfax Housing and Redevelopment Authority and Economic Development Authority (Fairfax HRA/EDA) loan program is to assist in providing capital for new and existing business expansion, create new employment or to maintain existing employment and further diversify the economic base of Fairfax, Minnesota. Eligible applicants must be physically located within the 55332 US Postal Service zip code area. Eligible uses of funds include land & building purchase, building construction, building renovation/expansion, machinery & equipment, and inventory. The availability of these funds provides “gap” financing to supplement other methods of financing.

The loan amount for any project will be at the discretion of the Fairfax EDA/HRA committee and will not exceed 50% of the total project cost. The EDA shall not be the sole source of funding for any project. The maximum loan request shall not exceed \$20,000. The maximum loan term shall not exceed a 10-year term. All loan terms over 5 years will be required to be renewed 5 years after the original loan approval date. Loans will be required to be paid immediately upon the sale of the business or if the physical location of the business moves out of the Fairfax area. The interest rate for loans is the Wall Street Journal Prime Rate on the date of loan approval or 3%, whichever rate is greater.

Application Procedure:

Applications are accepted by the EDA/HRA director on an ongoing basis and are reviewed based upon funds availability. Loan applications will be reviewed for approval based on the following program requirements:

1. Whether applicant owns the property to be improved by any loan funds
2. The extent to which the project meets the program purpose
3. The overall impact of the project on the surrounding community
4. The credit worthiness of the applicant
5. Verification of other financial commitments and personal investments in the project
6. The applicant pledges adequate collateral and personal guarantee for the loan

Once all the required information has been obtained, the HRA/EDA Director will make a report and presentation to the Fairfax HRA/EDA Board at their regularly scheduled monthly meeting. The applicant may be requested to attend this meeting to provide additional information on the project and answer any questions the Board might have. The Board will then review all information provided prior to considering final approval of the loan. No loan shall be made prior to authorization of the HRA/EDA Board.

Incomplete applications will not be reviewed. Loan applications made by businesses that currently have a loan with the Fairfax EDA/HRA will need to be reviewed before approval for the loan program. Application completion does not guarantee funding.

Upon final approval by the HRA/EDA, a promissory note, personal guarantees, and/or mortgage will be prepared for loan closing. All fees related to document preparation, along with any legal and recording fees are the responsibility of the borrower.

Loan funds will only be disbursed upon sufficient demonstration of proof or assurance the purpose for which the loan is approved have been acquired/purchased.

Fairfax Housing and Redevelopment and Economic Development Authority
Business Loan Application

Applicant: _____

Address: _____

City: _____ State: _____ ZIP: _____

Phone: _____ Email: _____

Fed ID# _____

Name & Address of Business Owner(s):

1. _____ Title: _____

_____ % Ownership: _____

_____ SSN: _____

2. _____ Title: _____

_____ % Ownership: _____

_____ SSN: _____

3. _____ Title: _____

_____ % Ownership: _____

_____ SSN: _____

Type of Project:

___ Construction/New Business	___ Expansion/Existing Business
___ Equipment/Machinery/Fixtures	___ Remodel/Rehabilitation
___ Other: _____	

Project Description: _____

Project Start Date: _____ Completion Date: _____

Requested Loan Amount: _____

Purpose/Use of Loan: _____

Cost of Project:

Land	\$ _____
Buildings (attach plans & cost)	\$ _____
Equip/Mach/Fixtures (attach list & cost)	\$ _____
Remodeling (attach plans & cost)	\$ _____
Working Capital	\$ _____

Other (attach description)	\$ _____
Other (attach description)	\$ _____
Total Cost	\$ _____

Proposed Financing:

	<u>Name</u>	<u>Terms</u>	<u>Amount</u>
State Grant/Loan	_____	_____	\$ _____
Fed Grant/Loan	_____	_____	\$ _____
Bank Loan	_____	_____	\$ _____
Bank Loan	_____	_____	\$ _____
Other Private	_____	_____	\$ _____
Other	_____	_____	\$ _____
Fairfax HRA/EDA	_____	_____	\$ _____
Applicant Working Capital			\$ _____
Total Financing			\$ _____

Collateral Assignment (describe collateral, value, and show lien position):

To State: _____

To Federal Govt.: _____

To Bank: _____

To Bank: _____

To Private: _____

To Other: _____

To Fairfax HRA/EDA: _____

To Personal or Other Guarantees: _____

Attach and Include the Following:

_____ Written Business Plan (includes description of business, ownership, date established, products/services, management, future plan)

_____ Financial Statements for past two years _____ Financial Projections for five years

_____ Resume of Owner/Management _____ Personal Financial Statements of proprietor/partners/guarantors

I/We certify that all information provided in this application is true and correct to the best of my/our knowledge. I/We authorize the Fairfax HRA/EDA to check credit references and verify financial and other information. I/We agree to provide any additional information as may be requested by the Fairfax HRA/EDA.

Applicant

Date: _____

Applicant

Date: _____

Applicant

Date: _____