

CARES ACT REVOLVING LOAN FUND

A program for retaining jobs in northeast Minnesota

Committed to helping Northeast Minnesota respond and recover to the coronavirus pandemic, Arrowhead Regional Development Commission, through a grant from the federal Economic Development Administration (EDA), has created a COVID-19 Revolving Loan Fund (RLF) program. This new program is designed to assist in alleviating sudden and severe economic dislocation caused by the pandemic, to provide permanent resources to support economic resiliency, and to further the long-term economic growth of Northeast Minnesota.

Eligible Applicants

For-profit and non-profit businesses that are located in Aitkin, Carlton, Cook, Itasca, Koochiching, Lake, or St. Louis Counties can apply for these funds. The applications for these loans are at www.ardc.org/rf.

Urgent Working Capital Loans

Businesses that can demonstrate a clear, negative impact from the pandemic are eligible for *working capital* urgent loans between \$10,000 and \$75,000. Potential borrower(s) will be subject to a credit check. The loan repayments will be for interest only for 12 months following loan closing. Currently the interest rate for these loans is at 2.44% (75% of the prime rate). The loan repayment timeline is 10 years.

Other Types of Loans for Pandemic Impacted Businesses

Non-working capital loans may range in size from \$10,000 up to \$250,000. The ARDC CARES RLF can function as the sole lender for this loan fund or can be combined with an additional lender(s) to leverage funds. These other lenders may be traditional lenders (banks) or non-traditional lenders (foundations, non-profits). Loans can be used for equipment, real estate, expansion, and other business operations. The policies for these loans are more stringent and the application requires significant details. The standard terms for these loans will be 4% interest for 10 years.

Application Timeline

Applications are accepted on a rolling basis. The Revolving Loan Fund Committee meets as needed to consider requests. Applications are available online at www.ardc.org/rf.

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ARDC serves as a regional and community planning organization working to further northeast Minnesota as a great place to live, work, play, and learn.

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