



Gap Financing for Businesses

The Initiative Foundation's Business Financing programs meet the "gap" between the financing a local lender is able to provide and the equity the owner is able to contribute. By offering gap financing to supplement owner equity and taking a position as a subordinate lender, Initiative Foundation business financing programs are a tool to help lending institutions better serve local businesses.

The Foundation focuses resources on financially sound businesses with clear impacts:

- Creation and retention of quality living-wage jobs with benefits
- Business contributes to a strong and diversified local economy
- Project supports local community's economic development objectives



Paul Johnson of LEI Packaging, a business which received a crucial loan from the Initiative Foundation for working capital.

Business Loan Fund

Our Business Loan Fund fills the gap in financing packages up to \$500,000 for new or expanding companies that show potential for quality job creation or retention. Targeted industries include manufacturing, technology-based business sectors and value-added agriculture.

Opportunity Loan Fund

In 2017, the Initiative Foundation received a \$1 million program-related investment from the St. Paul-based Northwest Area Foundation. The Foundation will use this key investment to increase the number and amount of loans it makes to new businesses and social enterprise ventures. The goal is to create quality jobs for people who today are economically disadvantaged.

Lender Match Loan Program

The Initiative Foundation provides up to \$100,000 of subordinated financing to match the senior financing provided by a financial institution issued under its standard loan policy guidelines. The combined financing of both loans may not exceed 100 percent of the total financing package or value of assets.

Nonprofit Loan Program

The Initiative Foundation provides financing up to \$100,000 to eligible nonprofit organizations for the creation or expansion of mission-related earned-income/social enterprise activities. Loan proceeds may be used for working capital, equipment acquisition and/or facility improvements for earned-income/social enterprise activities, which are clearly defined in a written business plan.

For more information, contact:

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