



Lender Match Loan Program

Creating economic opportunity by lending funds to locally owned businesses

The Initiative Foundation's Lender Match Loan Program provides capital to eligible businesses that preserves precious working capital by minimizing the out-of-pocket cash outlay otherwise needed for a down payment on the purchase of equipment or real estate.

The Foundation provides up to \$100,000 of subordinated financing to match the senior financing provided by a financial institution. The combined financing may not exceed 100 percent of the total financing package or value of assets. In most cases, the Foundation will make a final decision on credit requests within 3-5 business days based on information provided by the financial institution.

TYPES OF ELIGIBLE BUSINESSES >

The Lender Match Loan Program targets manufacturing, technology, wholesale and other businesses that contribute to the economic base of Central Minnesota through the provision of existing and new employment opportunities.

Startup entities and nonprofit organizations may qualify. Generally, retail and personal service businesses do not qualify.

COLLATERAL AND GUARANTEES >

The collateral for an Initiative Foundation loan generally consists of a sole second priority interest in the fixed assets to be acquired, along with a subordinated general security interest in all assets of the borrower.

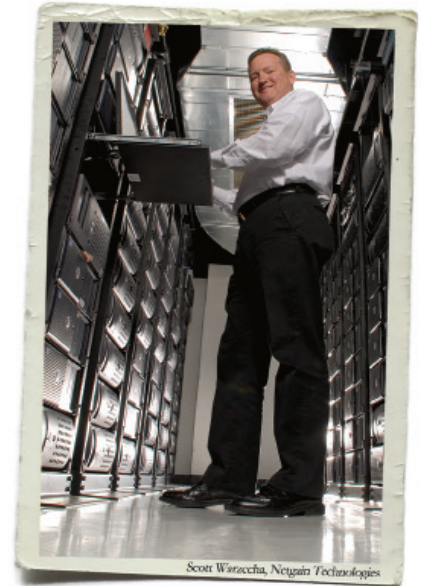
Collateral coverage may not exceed 100 percent of the cost of the assets to be acquired through financing. Personal guarantees from all primary owners of the business are required.

PROGRAM LENDING GUIDELINES >

- 1. Initiative Foundation Loan:** Up to a maximum of \$100,000. This loan is originated and serviced by the Initiative Foundation.
- 2. Origination Fee:** The borrower will pay a one percent origination fee, and other third party expenses such as loan document preparation and any related filing fees.
- 3. Financial Institution Loan:** Must be equal to or greater than the Initiative Foundation loan and issued according to the institution's loan policy for debt service coverage and collateral.
- 4. Maximum Size of Loan:** Typically, combined loans are equivalent to the amount of the assets being acquired. This normally includes only hard costs for the purchase or other assets, but does not include applicable taxes, shipping, set up, training, or other incidental costs.

For more information, contact:

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FINANCING TERMS >

The financial institution recommends the appropriate split between the institution and Initiative Foundation's participation. The institution establishes its terms and conditions for the loan with respect to interest rate, term, amortization, reporting and insurance, loan covenants and other matters. The Initiative Foundation's participation normally mirrors those same terms and conditions, with the exception of the interest rate, which ranges from 6 percent to 8 percent.