

CITY OF PARKERS PRAIRIE REVOLVING LOAN FUND GUIDELINES

	Multi-Family Residential	Commercial	Industrial
Applicant Eligibility	*Fee Title owner of property *Occupant of property *Income below Sec. 8 income limits	Fee Title not currently funded	Fee Title Owner
Property Location	City of Parkers Prairie		
Loan Amount	*Not to exceed 70% value of property *Not more than 50% of total project cost. *Not less than \$2,500 *Not more than 25% of City funds.	*Not less than \$5,000. *Not more than \$40,000. *Not more than 25% of City funds.	*Not less than \$5,000. *Not more than \$40,000. *Not more than 25% of City funds. *Maximum of \$10,000 per new job.
Types of Loans	Direct Secondary Loans		
Eligible Costs	Building and site improvements, utility services & demolition.	Acquisition or acquisition for demolition, building rehabilitation improvements, demolition of non-functional buildings and public facilities	Land, building, machinery, equipment, working capital, relocation to or within City Limits, demolition, & Public facilities.
Loan Terms	Equal or less than private portion of loan with installments up to 10 years.		
Loan Interest Rate	Prime plus 4% not to exceed 7%		
Priority	*Emergency Improvements. *Health and safety improvements. *Plumbing, electrical and heating code improvements. *Building exterior improvements. *Site improvements. *First come-first serve.	* Creation of new business. *Expansion of existing business. *Building rehabilitation. *Public facility improvements. *Demolition of non-functional buildings. *Acquisition for demolition. *Job creation. *Job retention. *Working capital. *First come-first serve.	
Loan Servicing	All loan and legal fees are paid by the applicant		
Loan Approval	*Review by City. *Approved by private financial institution. *Approved by City Council. *City Administer/Clerk authorized to release funds.		
Indebtedness	Existing indebtedness shall not exceed 80% of Assessors Estimated Market Value.		
Loan Position	Loan can be in a junior collateral position to the major source of project funding.		
Loan Security	All City revolving loans will be secured by a mortgage or lien taken on the property.		
Loan Guideline Policy	The revolving loan guidelines may be revised by the Parkers Prairie City Council on a case-by-case basis in instances demanding appropriate action to address unusual circumstances or unanticipated conditions.		