

Overview

The Micro-Loan Program provides assistance to emerging businesses located within Northfield's city limits. It is intended to help build technical, managerial, or operational capacity that contributes to the business's long-term viability and Northfield's economic vitality.

Loan payments will be reported to the credit bureau to help businesses establish and build credit over time. Late or missed payments may harm your credit score and could affect your eligibility for future funding.

Loan Amount: \$1,000 to \$5,000

Interest Rate: Fixed 2%

Term: Up to 5 years, no prepayment penalty

Fees: 1% of loan amount

Eligible Projects (Non-Exhaustive):

- Building code upgrades
- Accessibility improvements (ADA compliance)
- Capital improvements
- Energy efficiency upgrades
- Equipment, inventory, and technology
- Marketing and business planning expenses



Ineligible Uses:

- Refinancing or consolidating debt
 - New construction or demolition
 - Expenditures made before loan approval
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Requirements:

- Business must be for profit and located within Northfield city limits
- Must employ fewer than 10 full-time employees (FTEs)
- At least 6 months in operation OR submit a comprehensive business plan
- Have an EIN or Tax ID
- Meet with consultants at LEDC (Latino Economic Development Center)
- Must be current on all taxes and utilities
- Be in good legal and financial standing
- Business owners with 20%+ ownership must sign a personal guarantee
- Applicants must submit a business plan, cash flow projection, and or demonstrate adequate financial history through business and personal tax returns, balance sheets, and income statements



**Equity Match & Project Share:

Borrowers must demonstrate an equity match. Loan proceeds may not exceed **70% of the total project cost**. At least 30% of the project must be covered by owner equity or other financing.

Repayment Terms:

- Self-amortizing with monthly repayment
 - First payment is due one month after project completion
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Delinquency & Default Policy:

- 30 Days: First written notice
 - 45 Days: Second notice and outreach
 - 60 Days: Certified default notice and engagement to resolve issue
 - 90 Days: Referred to EDA for legal action or collections
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Application Requirements:

- Completed loan application
- Business and marketing plan
- Two-year cash flow projection
- Personal financial statement



- Business and personal tax returns (2 years)
- Balance sheet and income statement
- Project scope with two contractor quotes
- Site plans and photos (if applicable)
- Lease or ownership documentation

CONTACT:

City of Northfield Economic Development Authority

Phone: 507-645-8833