

Minnesota Small Business Loan Guarantee Program Information

The Minnesota Department of Employment and Economic Development now offers the Minnesota Small Business Loan Guarantee Program. This temporary program will help Minnesota lenders provide capital to small businesses in Minnesota affected by COVID-19. These loans can be used for a variety of purposes and can be subordinate to other financing. Allowable loan uses must be exclusively in Minnesota and include machinery or equipment purchases, maintenance, or repair; expenses related to moving into or within Minnesota; and working capital when the working capital is secured by fixed assets when possible.

The funds should be targeted to Minnesota businesses with fewer than the equivalent of 250 employees. The number of employees includes parent company and all locations. The program will provide an 80% guarantee* up to a maximum of \$200,000. A fee of .25 percent on the guarantee loan principal will be charged for each loan enrolled into the program.

To become eligible to enroll loans in the guarantee program, lenders should complete this lender enrollment application (below). Once a lender has been approved to participate, the lender may submit loans to the department along with a completed loan enrollment application (a separate application submitted with each loan).

For additional information please refer to the Frequently Asked Questions page on the DEED website for the Small Business Loan Guarantee Program.

Application should be submitted to SBLGP@state.mn.us

* The program provides an 80% guarantee up to \$200,000. The guarantee will adjust over the life of the loan and will never be for more than 80% of the outstanding principal of the loan. At no time shall total outstanding loan guarantees exceed five times the amount on deposit in the loan guarantee trust fund. If guarantee claims exceed the amount on deposit in the loan guarantee trust fund, claims will be paid in proportionate amount until exhausted. We are currently proposing that we will issue guarantees for no more than \$25 million in loan guarantee balances which equates to a leverage ratio of 2.5:1 (or a 40% default rate) as we are funded at \$10 million. We believe that level of guarantee should be good provide everyone assurance that we have adequate coverage. The amount on deposit in the loan guarantee trust fund may adjusted higher if increased coverage is indicated.

Lender Enrollment Application – Banks Only

Lender Name: _____

Contact: _____ Title: _____

Address: _____

City: _____ State: _____ ZIP: _____ County: _____

Phone: _____ Website: _____ E-mail: _____

Type of Lender: Bank

The following entities are eligible to participate as lenders in the program: a bank, or other commercial lender, a public entity, or a private nonprofit economic development organization located in Minnesota.

The undersigned:

- a. certifies that all representations made in this application or information provided herein are true and complete to the best of his or her knowledge,
- b. grants the State of Minnesota and its agents the right to contact individuals and organizations as the State may deem necessary to verify the accuracy and completeness of any and all applicant data,
- c. agrees to execute and deliver written authorizations for the release of data or for any data privacy waivers reasonably required by the State to verify the accuracy or completeness of applicant data, and
- d. acknowledges that it is aware that the act of providing false applicant data may subject it to penalties provided by State and Federal laws.

Signature of Authorized Lender Representative: _____

Printed Name: _____

Title: _____ Date: _____

Should your application be approved, please indicate what contact information you would like made available to borrowers if different than above. This information will be posted on DEED's website.

Contact Name _____

Title _____

Mailing Address _____

Phone _____

Email _____

DATA PRIVACY ACKNOWLEDGEMENT

Tennessee Warning Notice: per MN Statutes 13.04, Subd.2, this data is being requested from you to determine if you are eligible for assistance from the Minnesota Department of Employment and Economic Development. You are not required to provide the requested information, but failure to do so may result in the department's inability to determine your eligibility for assistance. The data you provide that is classified as private or non-public and will not be shared without your permission except as specified in state and federal laws.

Data Privacy Notice: per MN Statutes 13.591, Subdivision 1, certain data provided in this application is private or nonpublic data; this includes financial information about the business, including credit reports, financial statements, net worth calculations, business plans; income and expense projections; balance sheets; customer lists; income tax returns; and design, market, and feasibility studies not paid for with public funds. Per MN Statutes 116J.401, Subd. 3., certain data provided in this application is private data; this includes data collected on individuals pursuant to the operation of business finance programs.

I have read the above statements and I agree to supply the information requested to the MN Department of Employment and Economic Development, Office of Business Finance with full knowledge of the information provided herein. I certify that all information provided herein is true and accurate and that the official signing this form has authorization to do so.

Typed Name Authorized Representative: _____

Signature of Authorized Representative: _____ Date: _____