



DEPARTMENT OF IRON RANGE
RESOURCES & REHABILITATION

Preliminary Application

Fiscal Year 2025

**Business development financing from
Iron Range Resources & Rehabilitation
aims to enhance, expand, and diversify
the region's economy.**

Preliminary Application Guidelines

Application Process

Any business seeking financial assistance from the Iron Range Resources & Rehabilitation Business Development Financing Program must first submit this preliminary application form.

Be sure to read thoroughly. Agency staff are available to answer questions or address concerns at 218-735-3040. **Those selected for further review will be invited to submit a full application.**

Eligible Businesses

Start-up businesses and existing businesses are eligible for assistance. They may be organized as proprietorships, partnerships or corporations. Primary consideration will be given to the following types of businesses:

- Manufacturing/assembly.
- Projects which Attract Expenditures from outside the agency's service area.
- Technologically innovative projects.

Ineligible Businesses

- Retail/service.
- Agriculture.
- Transportation.
- Construction.
- Professional offices.
- Tourism.
- Speculative real estate.
- Media.
- Debt refinancing (for debt existing prior to application).
- Acquisition of an existing business.

Allowable Use of Proceeds

- Land and building acquisition.
- Machinery/equipment purchase.
- Building renovation.
- New building construction (only permanent term financing).
- Land improvements.
- Inventory purchase.

Types of Financial Assistance Available

The agency's financing can be structured to best suit your needs. The agency is limited by law to a maximum of 50% participation in eligible financed costs.

Bank Participation Loans

The agency purchases a portion of a loan originating with a commercial bank or other regulated lender. A shared first position lien, with the bank or lender, on the financed assets and/or other assets is required.

The interest rate on the agency's purchased participation will be set at a minimum interest rate of three percentage points less than the full-faith and credit obligations of the United States government of a comparable term to the loan, rounded up to the nearest one-half percent. The minimum rate charged on participation loans is one percent. The interest rate is determined at the time the participation loan is approved by the agency.

Direct Loans

The agency may also provide a loan directly to the eligible business. Collateral requirements are negotiable, but typically the agency will require a first lien on the financed assets and/or other assets.

The interest rate will be set at one percentage point less than the full-faith and credit obligations of the United States government of comparable term to the loan, rounded up to the nearest one-half percent. The minimum rate charged on direct loans is three percent. The interest rate is determined at the same time the direct loan is approved by the agency.

Project Criteria

- Mission Statement.

Iron Range Resources & Rehabilitation's Mission is to invest resources to foster growth and economic prosperity in northeastern Minnesota. Any business seeking financial assistance from the Iron Range Resources & Rehabilitation Business

Development Financing Program will be evaluated on its ability to meet the following conditions and criteria:

- Business Capacity.
 - Financial.
 - Equity commitment.
 - Adequate collateral coverage.
 - Credit-worthiness.
 - Demonstrated repayment ability.
 - Ability to leverage other funding sources.
 - General Operations.
 - Management capability.
- Marketing ability.
- Impact Potential.
 - Ability and commitment to create and/or retain jobs.
 - Increased economic impact.
 - Diversification of the economy.
 - Innovative technology.

Preliminary Application

Complete application and send to:

**Iron Range Resources & Rehabilitation
Attn: Business Development Finance Team
P.O. Box 441 – 4261 Highway 53 South
Eveleth, MN 55734-0441**

Business Information

Applicant Name

Title

Address

City

State

Zip Code

Phone

Cell

Email

Name of Business

Address

City

State

Zip Code

Phone

Cell

Email

Type of Business

Sole Proprietorship

Corporation

Partnership

Nonprofit

Existing Business

Date Established: _____

New Business

Date Established: _____

Diversity of Ownership

For demographic reporting purposes only.

Veteran-Owned Woman-Owned Disabled

Diverse Population:

Black and People of Color Tribal Nation LGBTQIA+ Community

Other: _____ Prefer not to answer.

Financial Assistance Information

- Bank Participation Loan
- Direct Loan

Bank _____

Bank Address _____

Bank Phone _____

Bank Contact Person _____

Project Information and Impact

Describe the business and its major activities including such information as products and services provided, general market area served and any other information you feel may be appropriate:

Attach additional pages if the description space is not adequate.

Describe the proposed project for which you are seeking assistance:

Attach additional pages if the description space is not adequate.

Ability and commitment to create and/or retain jobs:

Created _____

Retained _____

Total _____

Wages/Salary _____/hour to _____/hour and/or _____/year to _____/year

How will your project strengthen and/or diversify the regional economy?

Attach additional pages if the description space is not adequate.

If your project uses innovative technology, please describe?

Attach additional pages if the description space is not adequate.

Why is the agency's assistance necessary for your project?

Attach additional pages if the description space is not adequate.

Business Capacity

Describe your management capability and qualifications.

Attach additional pages if the description space is not adequate.

Sources and Uses

Table 1: Funding Sources and Uses.

Funding Use	SOURCE OF FUNDS					
	Iron Range Resources & Rehabilitation	Agency %	Bank(s)	Equity	Other	TOTAL
Property and building acquisition.						
Building renovation.						
New building construction (only permanent term financing).						
Property improvements.						
Machinery and equipment purchase.						
Inventory purchase.						
Working capital.						
Debt refinancing.						
Other.						
TOTAL PROJECT COSTS						

Name/Title of Business Official: _____

Signature of Business Official: _____ Date: _____