

Renewable Energy Loan Program

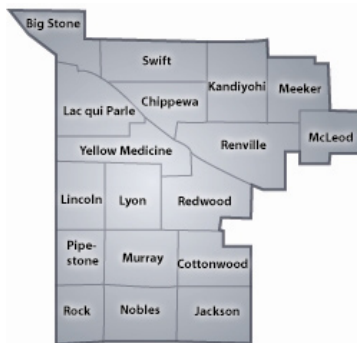


SOUTHWEST INITIATIVE
FOUNDATION

15 3rd Avenue NW
Hutchinson, MN 55350
1-800-594-9480 or
320-587-4848
www.swifoundation.org

Service Area

The Southwest Initiative Foundation's service area includes the 18 counties of southwest Minnesota.



Confirmed in Compliance with National Standards
for U.S. Community Foundations

Recognizes that renewable energy is a significant economic asset opportunity in southwest Minnesota.

Eligibility and Use of Funds

Business ventures eligible for the Renewable Energy Loan Program may include energy production businesses, secondary businesses that support the renewable energy industry, energy usage conversion projects or new and emerging technologies that:

- Demonstrate credibility in the renewable energy sector.
- Contribute to building the region's assets.
- Have a reasonable business plan.
- Have adequate cash flow to service debt.
- Demonstrate the need for use of the loan program.

Loan funds may be used for up-front development costs, land, building or building improvements, machinery and equipment, inventory or working capital.

Loan Terms

- Loan amount must not exceed 25 percent of a project, up to a maximum of \$500,000. The exception is energy conversion projects, which may qualify for up to 100 percent financing with bank participation in other aspects of the business.

- Interest rates will typically be at market rate, but will be determined by a measurement of risk and on a case-by-case basis.
- Loan amortization is based on the life of the assets and will match the term of other lenders on the project where possible.
- Loan maturity will generally be five years but may have extended amortizations if warranted by the financed assets. A balloon payment may be required if amortized beyond five years.
- Loans must have adequate collateral and may be subordinate only to the interest of the primary lender bank.
- Loan recipients will be charged a one percent loan origination fee plus all costs associated with the loan.

How to Apply

- Applicants should contact SWIF at 800-594-9480, 320-587-4848 or loans@swifoundation.org early in the project development stage.
- Complete a Loan Application that includes basic loan information, a business plan and financing needs and sources. Applications may be downloaded at www.swifoundation.org/loans.html.