

# DETROIT LAKES DEVELOPMENT AUTHORITY

## MICRO LOAN PROGRAM

### **1. Purpose:**

The purpose of the DLDA Micro Loan Program is to provide low interest matching loans of less than \$20,000 to assist small business development or expansion.

### **2. Eligible Activities:**

Any new or expanding business within the City limits of Detroit Lakes. One new job must be created for each \$10,000 of micro-loan funds, or portion there-of. For example: One new job must be created for any loan up to \$10,000 for loans greater than \$10,000 up to \$20,000, two jobs must be created.

### **3. Eligible Use Of Funds:**

Loan funds may be used for land, buildings, additions, alterations, machinery, equipment and inventory.

### **4. Eligible Applicants:**

Individuals, partnerships, corporations, limited partnerships engaged in for profit or not for profit business

### **5. Lender's Participation:**

Lenders are required to satisfy themselves regarding the security of any loan they make under this program. Lenders will be allowed to change normal fees and servicing charges on the full amount of the loan.

### **6. Application Procedures:**

Loan applications under the program, must be approved by both the participating lender and the Detroit Lakes Development Authority as follows:

- 1) Application is submitted to participating lender. Each applicant must, at a minimum, complete the attached loan application. Lenders, at their option, may require additional information from the applicant. Also, note that all applicants must sign the application form.
- 2) Applications approved by the lenders are submitted to the City's Community Development Department no later than the third (3rd) Monday of each month. Please note, that applications submitted to the City must include a sketch of the proposed improvements and itemized estimate of the project's costs.
- 3) Applications will then be reviewed and approved or denied by the Detroit Lakes Development Authority at their regular monthly meeting, on the first Tuesday of each month. Incomplete applications will be returned to the lenders.
- 4) The Detroit Lakes Development Authority will purchase a participation in the loan. Receipt of proper documentation is required, including loan documents and a completed and signed loan application.