

North West Rural Electric Cooperative (NWREC) created the Community/Economic Development Revolving Loan Fund (RLF) to improve the quality of life in rural areas by contributing to long-term improvement in the local economy.

The RLF is a local funding source with a goal of providing low interest loans to assist with local economic and community development projects. Our priorities include job creation and retention, diversification of the local economy, improving the skills of the rural workforce, and upgrading the public infrastructure to improve the health, safety, and/or medical care of rural residents. This fund is administered by the NWREC Board of Directors.

Following is a summary of the RLF loan terms and program eligibility requirements:

Eligible Applicants include organizations involved in community or economic development projects.

- New or Expanding Private Businesses
- Local Governments
- Non-profit Community Development Organizations

Eligible Uses of Funds include

- Land Purchase
- Buildings
- Fixed Assets
- Machinery & Equipment
- Infrastructure
- Residential Housing Projects (limits apply)

Ineligible Uses of Funds

- Pre-development Costs
- Refinances

Loan Terms are set by the NWREC Board of Directors based on the financial need of the project. The following is to be used as a guide for application requests:

Loan Amounts

Minimum Loan	\$ 10,000
Maximum Loan	\$ 400,000

Interest Rates will vary from 0% to Prime Rate depending on the financial need of the project and its benefits to the rural area. Generally loans will have a one half of Prime rate.

Terms & Security

The RLF requires adequate collateral for the loan request. Preferred security is an irrevocable letter of credit. Other acceptable collateral includes a first lien on real estate and/or machinery & equipment. The maximum loan term is 10 years. Generally, the length of the loan will be based on the collateral offered by the applicant:

Building	5 to10 Years
Real Estate	5 to10 Years
Equipment	5 to 7 Years

Currently, NWREC is offering a six year loan with deferral of principal and interest payments the first year with interest rate at one half of Prime Rate set on the anniversary of the date of the first advance of funds subject to annual adjustments thereafter and principal and interest amortized over 5 years (years 2 through 6) with either monthly or quarterly payments subject to annual adjustments when interest rate changes.

Other Funding

A minimum of 20% of the project must be funded from equity or debt sources other than the NWREC RLF.

Administration Fee

The RLF may charge an annual administration fee equal to 1% of the outstanding balance of the loan.

Fund Availability

RLF loan applications are accepted at the NWREC offices when the RLF has an available balance of at least \$20,000.

More Information

For more information, loan applications, or to check availability of funds, contact

Lyle D. Korver
Chief Executive Officer/General Manager
North West Rural Electric Cooperative
PO Box 435
Orange City, IA 51041

712.707.4935
lkorver@nwrec.coop

The NWREC RLF is an equal opportunity lender and requires loan recipients to adhere to all equal opportunity laws.



Program Summary

Community & Economic Development Revolving Loan Fund

North West Rural Electric Cooperative
1505 Albany Place SE
PO Box 435
Orange City, IA 51041

712.707.4935