



## Revolving Loan Fund (RLF) Guidelines

Revised February 2026

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### Overview

The Wabasha Port Authority has established a local Revolving Loan Fund (RLF) to provide financing assistance to qualifying businesses. The purpose of the RLF is to support business expansion, job creation, and job retention within the City of Wabasha.

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### Eligible Borrower Criteria

1. **Location of Project**

The project or business assisted by the RLF must generally be physically located within the City of Wabasha. On a case-by-case basis, the Loan Committee may waive this requirement and provide loan funds to a business located outside the city if it determines that the project will have a positive economic impact on the Wabasha community.

2. **Small and Emerging Business Requirement**

Applicants must meet the definition of a *small and emerging private business enterprise*, defined as any for-profit private business that: Employs 50 or fewer employees, and has less than \$1 million in projected gross revenues.

3. **Ownership Requirement**

At least 51 percent of the outstanding ownership interest in the applicant business must be held by individuals who are either: Citizens of the United States, or lawful permanent residents of the United States.

4. **Conflict of Interest**

Applications submitted by members of the Loan Committee or their immediate family members are ineligible for funding.

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## Eligible Uses of Funds

RLF loan proceeds may be used for the following purposes:

1. Acquisition of land or buildings
  2. New building construction
  3. Building rehabilitation or renovation
  4. Purchase of machinery, equipment, furniture, and fixtures
  5. Working capital and inventory, limited to 25 percent of total project costs
    - Projects requesting working capital must include owner equity equal to at least one dollar for every dollar of working capital borrowed.
  6. Loan guarantee fees
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## Ineligible Uses of Funds

RLF loan proceeds may **not** be used for the following purposes:

1. Payment of taxes
  2. Refinancing existing debt (except refinancing of temporary construction loans)
  3. Residential real estate development
  4. Professional fees
  5. Labor performed by business owners
  6. Construction or renovation of residential units
  7. Production of agricultural products through growing, cultivation, or harvesting—either directly or through horizontally integrated livestock operations—except for: commercial nurseries, timber operations, and limited agricultural production related to technical assistance projects
  8. Comprehensive, area-wide planning efforts (this does not prohibit funding for planning related to a specific project)
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# Financing Structure

## 1. Loan Amounts

- Loans shall not exceed available funds in the RLF account.
- Typical loan amounts range from \$5,000 to \$25,000. The Loan Committee may approve loan amounts outside this range on a case-by-case basis.

## 2. Loan Term

- Loans may be amortized for up to ten (10) years. The Loan Committee will determine the final loan term based on security.

## 3. Interest Rate

- The interest rate will be based below the Wall Street Journal Prime Rate, with a maximum rate of 5 percent. The Port Authority retains final authority to set the interest rate.

## 4. Loan Security

- Loans shall be secured by the best lien position available on real estate, equipment, inventory, or other assets. The discounted value of collateral, using standard lender discount rates, must equal or exceed the loan amount. The Loan Committee may require personal guarantees and/or co-signers.

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# Other Lending Policies

1. Applicants must demonstrate that the RLF loan is necessary to make the proposed project financially feasible.
2. If a business relocates outside the City of Wabasha, the Loan Committee may require immediate repayment of the loan.
3. The Loan Committee may require feasibility studies, business plans, market studies, or other documentation appropriate to the business type.
4. The proposed project must be presented to the Loan Committee by the business owner or an authorized representative.
5. A non-refundable \$100 application fee is required with each application. All costs associated with loan processing (including credit reports, UCC and lien searches, filing fees, and legal document fees) are the responsibility of the applicant.

# Revolving Loan Fund Application Process

Action	Completed By	Date Completed
Meet with Port staff to review project and preliminary eligibility	Applicant	_____
Create business plan (staff available to assist)	Applicant	_____
Review RLF Guidelines	Applicant	_____
Complete RLF application (staff available to assist)	Applicant	_____
Submit application and \$100 fee (payable to the City of Wabasha)	Applicant	_____
Review completed application	Port	_____
Loan Committee review and recommendation to Port Auth. Board	Port	_____
Port Authority review and recommendation to City Council	Port	_____
City Council approval or denial	City Council	_____
Loan closing (handled by City Attorney in coordination with Port staff)	Port	_____
Submission of vendor invoices	Applicant	_____
Disbursement of funds (payments made directly to vendors)	Port	_____
Repayment begins ( <b>ACH required</b> ; schedule set at closing)	Applicant	_____

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