

# RDFC Community Capital Loan Fund

The RDFC Community Capital Fund was created with the goal of assisting local development organizations and political subdivisions to leverage additional capital to finance business and community economic development activities.

Any local development group or political subdivision located in North Dakota communities 10,000\* or under in population, or projects that have a rural or cooperative focus, may apply to the Community Capital Loan Fund for programs that demonstrate the capacity to use the capital productively and consistent with the RDFC mission.

*\*Communities contiguous to communities with a population greater than 10,000 are ineligible for RDFC financing.*

Examples of how the funds may be used:

- microloans
- revolving loan funds
- community loans
- residential property development
- infrastructure
- industrial park development
- essential services

The funds can be used as matching funds when applying for State, Federal or other sources of funding.

**RDFC funds must be matched dollar-for-dollar.**

Term: Up to 10 years

Rate: 2%

Repayment: Annual payments; no prepayment penalty

Fees: 1% Origination Fee

Security: Unsecured credit with no collateral requirement

Flexible: Lending is not contingent on creating jobs. There are no restrictions on the types of projects or businesses financed.

Loan Amount: Minimum - \$5,000

Maximum – determined by the discretion of the board and the balance of funds available in the revolving loan fund at the time of application. The loan is not to exceed 50% of the total project cost.

**Application package must contain:**

- Application form (evidence of mission, plan to accomplish work, and demonstrated results toward achieving goals. (i.e., annual report)
- A well-developed plan for use of funds. (i.e., detailed plan for operation of microloan program, revolving loan fund, etc.).
- Explanation of the need for the capital.

- Exhibit applicant's dedicated revenue source(s) for future repayment ability.
- Documentation of the organization's ability to identify and obtain appropriate matching funds for the program.
- Minutes or resolution noting the RDFC loan terms and the repayment requirement.
- An attorney's opinion verifying the applicant has the legal authority to incur debt.
- Documentation of applicant's finances and operations, including historical and current financial statements (income and expense statement + balance sheet), and list of operating revenue sources; list of board of directors and governance structure. tax-exempt status (if applicable), management and staff qualifications.

### **Leveraging External Funds**

Priority will be given to applications that significantly leverage RDFC dollars with additional funding from sources such as traditional financial institutions, community and county economic development organizations, regional councils, as well as state and federal agencies.

Applicants should secure or demonstrate strong potential for supplementary financing, or alternatively document attempts to obtain additional funding sources. Key evaluation factors include the degree of leverage, partner commitments, and alignment with community and rural development goals. This policy aims to maximize RDFC loan impacts with regard to the number of communities and initiatives served.

### **Application Procedures**

Documentation may be provided by a combination of existing information, short narratives, or actual documents. If the development organization is not currently able to provide documentation of one or more of the above, please explain.

NOTE: Upon loan approval – the loan must be closed within 180 days. After that period of time, the board may reaffirm the offer, or the offer may expire.

Return completed applications to:

RDFC - NDAREC  
3201 Nygren Drive NW  
PO Box 727  
Mandan, ND 58554

Contact: Ellen Huber, Executive Director  
Telephone (701) 663-6501 Email: [ehuber@ndarec.com](mailto:ehuber@ndarec.com)

Updated 2/20/25

*This institution is an equal opportunity provider and employer.*