

Commitment to Community

Prairie Energy Cooperative is committed to community improvement, and the quality of life in rural areas. From that commitment, the Community/Economic Development Revolving Loan Fund (RLF) was created. Over the course of the last two years, Prairie Energy Cooperative has been able to fund \$200,000 towards community improvement projects, ranging from a new pumper truck for a rural fire department to the development of a new business.



Prairie Energy Cooperative

2099 Hwy 3 West

PO Box 353

Clarion, Iowa 50525

Phone: 515-532-2805

Fax: 515-532-3056

tfoss@prairieenergy.coop

www.prairieenergy.coop

The Prairie Energy Cooperative is an equal opportunity lender and requires loan recipients to adhere to all equal opportunity laws.



**Community & Economic
Development
Revolving Loan Fund**

Revolving Loan Fund



Business building renovation

Prairie Energy Cooperative

created the Community/Economic Development Revolving Loan Fund (RLF) to improve the quality of life in rural areas by contributing to the 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 medical care of rural residents. This fund is administered by the Prairie Energy Cooperative Board of Directors.

Eligible Applicants

Organizations involved in community or economic development projects.

- New or expanding private businesses
- Local governments
- Non-profit community development organizations

Eligible Uses of Funds

- Land purchase
- Buildings
- Fixed assets
- Machinery and equipment
- Infrastructure
- Residential housing projects (limits apply)

Ineligible Uses of Funds

- Pre-development costs
- Refinances

Loan Terms are set by the Prairie Energy Cooperative Board of Directors based on the financial need of the project.

Loan Amounts

Minimum loan \$10,000
Maximum Loan \$150,000

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 4% interest rate.



Machinery and Equipment

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 and 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 10 years
- Real Estate 10 years
- Equipment 5 to 7 years

Other Funding

A minimum of 40% of the project must be funded from equity or debt sources other than the Prairie Energy Cooperative RLF.

Administration Fee

Generally, the RLF will charge an annual administration fee equal to 1% of the outstanding balance of the loan.

Fund Availability

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