



North Dakota Food Impact Fund Revolving Loan Fund Guidelines — Policy # 014

Made possible through a USDA Meat Processing Intermediary Lending Program grant, these revolving loan funds are initially for assisting start-up and expanding meat processing facilities to broaden market opportunities for livestock producers and improve access to locally produced meats for our state's residents and visitors. As the fund revolves, the scope encompasses additional food processing, distribution and mid-tier supply chain activities.

Under this program, the Rural Development Finance Corporation (RDFC) will participate with banks and local/regional lending groups to leverage funding and reduce barriers to entry for rural communities, ranchers, farmers and other seeking to participate in the food supply chain.

- Loan participations with a lead lender are generally preferred. If the loan is for equipment only, a direct loan may be considered.
- Participation level: loans may not exceed 80% of project funding.
- Refinancing of existing debt may also be considered for viable businesses if necessary to improve cash flow or obtain appropriate lien positions. Debt being refinanced must be reflected on the business balance sheet. Documentation is required that the debt being refinanced was for an eligible purpose. Refinanced debt cannot exceed 50% of the total fund portfolio
- Minimum loan amount: \$10,000.
- Rates: Generally 2% interest rate with a one-time 1% origination fee (no less than \$500).
- Repayment terms: commensurate with the components being financed, such as 30 years for real estate, 3-7 years for equipment, and 1-3 years for working capital (terms on loan participations will match lead lender).
- Applicants applying for a direct loan will be responsible to reimburse RDFC for costs incurred by RDFC directly related to the potential loan, such as environmental review costs, legal fees, etc.

Email completed applications to: RDFC@ndarec.com

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Updates approved by board 8-18-25