



Community Capital Loan Program

The RDFC Community Capital Loan Program 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 Program for projects 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.*

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

Loan prioritization criteria:

- Suitability of project type in relation to alternative funding and financing sources, impact, and alignment with RDFC's rural development mission
- Level of local and external funding leveraged
- Applicant investment
- Cooperative involvement or benefit to cooperative members
- Job creation, workforce recruitment or retention outcomes

Projects that score highly under this framework will receive priority consideration for funding.

RDFC funds must be matched dollar-for-dollar.

Length of Loan: 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 types of projects or businesses financed, but loan prioritization criteria will be considered.

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.
- 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 current and past two years of 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, the board may reaffirm the offer, or the offer may expire.

Email completed applications to: RDFC@ndarec.com

Contact: Ellen Huber
Executive Director
Office (701) 663-6444
Email: ehuber@ndarec.com

Updates approved by the board June 6, 2025