



**Economic Development Authority  
Child Care Loan Program**

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**Investment Amount**

Up to \$1,000 per applicant until \$10,000 is expended

**Eligibility Criteria**

- Available to childcare providers located within the City Limits of Fairmont, Minnesota
- Businesses must provide full time childcare services
- Primary consideration will be given to projects which will create new childcare slots

**Use of Funds**

- Structural maintenance relating to providing childcare
- Equipment
- Code work

**Loan Disbursement**

- Following loan approval, the borrower shall execute a promissory note.
- Awarded funds will be disbursed upon submittal of receipts or invoices for purchases.
- Proposed expenses must be submitted within (6) months of loan approval.

**Loan Terms**

- Loans will be considered up to \$1,000; and cannot exceed 50% of total project
- Interest rate is 0%.
- Loans can be amortized for 1 year
- 25% of the original loan is forgiven quarterly, as long as the childcare remains in business. After one year, the loan is forgiven in its entirety.
- Loan recipients will be charged a \$15 origination fee.

**Required Application Attachments**

- Complete Loan Application
- Estimates of Costs

**Payment**

- Before loan closing, the childcare provider must submit:
  - Evidence of purchases and payment
  - Evidence of a building permit if required.

Applications will be reviewed on a first come-first serve basis until that year's allocations are gone. Applications will be reviewed for eligibility and overall merit by FEDA staff. Your application may be approved as is, approved with changes, or denied. Generally, an application will be reviewed within 14 days of submittal of complete application. Loan closing will be scheduled within 21 days of submittal of evidence of purchases and payment.