

HELP FUND

Heartland Economic development Loan Program
Program Information

Purpose

The Heartland Economic development Loan Program (HELP) Fund was established to encourage economic development and growth within all Heartland Customer communities, and to advance the purpose of the District by encouraging and extending the use of electric energy. Heartland will support its Customers' growth through a number of programs, including awarding annual grants and loans for economic development purposes.

How it Works

Via an Intermediary Relending Program (IRP), Heartland will match 25% of the total participation and the United States Department of Agriculture (USDA) will match 75%. Loans will not exceed \$150,000 or 75% of total project cost. Grant applications exceeding \$2,000 require approval by the Heartland Board of Directors.

Loans from Heartland Consumers Power District to the ultimate recipient using the IRP Revolving Loan Fund must be used for community development projects, the establishment or expansion of new and existing businesses, and/or the creation or retention of employment opportunities.

Costs eligible for participation:

- Business and industrial acquisitions (if the loan will keep the business from closing, prevent the loss of employment opportunities, or provide expanded job opportunities)
- Business construction, conversion, enlargement, repair, modernization, or development.
- Purchase and development of land, easements, rights-of-way, buildings, facilities, leases, or materials.
- Purchase of equipment, leasehold improvements, machinery, or supplies.
- Pollution control and abatement.
- Transportation services.
- Start-up operating costs and working capital.
- Interest (including interest on interim financing) during the period before the facility becomes income producing, but not to exceed 3 years.
- Feasibility studies.
- Community Infrastructure projects
- Reasonable fees and charges only as specifically listed in this paragraph. Authorized fees include loan packaging fees, environmental data collection fees, management consultant fees, and their fees for services rendered by professionals. Professionals are generally persons licensed by States or accreditation associations, such as engineers, architects, lawyers, accountants, and appraisers. The maximum amount of fee will be what is reasonable and customary in the community or region where the project is located. Any such fees are to be fully documented and justified.

Costs which are NOT eligible include:

- Assistance in excess of what is needed to accomplish the purpose of the ultimate recipient's project.
- Distribution or payment to the owner, partners, shareholders, or beneficiaries of the ultimate recipient or members of their families when such persons will retain any portion of their equity in the ultimate recipient.
- Churches, organizations affiliated with or sponsored by churches, fraternal organizations, and charitable institutions that would not have revenue from sales or fees to support the operation and repay the loan.
- Assistance to government employees, military personnel, or principals or employees of the intermediary or organizations for which such persons are directors or officers, or in which they have ownership of 20 percent or more.
- A loan to an ultimate recipient who has an application pending with or a loan outstanding from another intermediary involving an IRP revolving fund if the total IRP loans would exceed the limits established in § 4274.331(b).
- Agricultural production.
- The transfer of ownership, unless the loan will keep the business from closing, or prevent the loss of employment opportunities in the area, or provide expanded job opportunities.
- Community antenna television services or facilities.
- Any illegal activity.
- Any project that is in violation of a Federal, State, or local environmental protection law or regulation or an enforceable land use restriction, unless the assistance given will result in curing or removing the violation.
- Lending and investment institutions and insurance companies.
- Golf courses, race tracks, or gambling facilities.

Terms

Interest rates on loans will be less than 2% or greater than the market rate. Loans may be limited to a maximum of 20 years for land, building, and permanent fixtures, 15 years for machinery or equipment (or the useful life of the machinery and equipment, whichever is less), and 7 years for working capital.

How to Apply

In order to qualify for the HELP Fund, you must first apply. Access the application online on Heartland's homepage, www.hcpd.com, under the heading **Economic Growth**. You may also call the Heartland office at (800)520-4746 and request a paper copy, which we will send by mail or fax.