

Angel Loan Fund

Program Purpose:	To support entrepreneurial growth throughout Minnesota by offering attractive funding for early-stage businesses.
How it Works:	The Angel Loan Fund (ALF) provides direct loans to eligible startup businesses. The loan amount is 10% of the total amount of equity investment raised by the business in a funding round subsequent to ALF approval. Only one loan may be issued to each business for the duration of the ALF. At least one equity investment must be made by an investor that is qualified as an Accredited Investor per the U.S. Securities and Exchange Commission under Rule 501 of Regulation D. However, the total equity investment attained for the round is not exclusive to investments made by Accredited Investors.
Eligible Applicants:	Businesses with fewer than 500 employees and certified, or would have been eligible to be certified, to participate in the Angel Tax Credit Program during any of the program's years.
Eligible Uses of Funds:	Funds may be used for start-up costs, working capital, business acquisitions and expansions, franchise financing, equipment loans, inventory financing, construction, and commercial, non-passive real estate acquisitions.
Maximum Available:	10% of equity raised after program enrollment; \$20,000 minimum loan amount, \$250,000 maximum
Interest Rate/Terms:	0% interest, 7 year term, non-recourse, deferred, with a balloon. If the business is sold during the term, business will submit risk mitigation fee compensation equal to 30% of the original loan principal.
Application Process:	Businesses must apply for enrollment in ALF and submit an ALF Business Enrollment Application along with required supporting documentation.
Website:	https://mn.gov/deed/business/financing-business/deed-programs/alf/
Contact:	Stephen Wolff, Angel Loan Fund MN Department of Employment and Economic Development (DEED) Phone: 651-259-7415 E-Mail: Stephen.wolff@state.mn.us