

# Frequently asked questions

## Environmental Assistance Loan Program

This document will be updated occasionally.

### 1. Are start-up businesses eligible?

Applicants deemed by the Minnesota Pollution Control Agency (MPCA) to be start-up businesses are eligible for Environmental Assistance (EA) Direct Loans on a case-by-case basis only. However, such applicants are eligible to apply for EA Participatory Loans. Start-up businesses are those without a business plan, legal registration, capital collateral, and/or at least a one-year operating history demonstrating ability to repay the loan.

### 2. Will applications be accepted from non-priority applicants or for non-priority projects?

Yes. If you are a non-priority applicant or proposing a non-priority project, you may still apply for a loan.

### 3. What are the chances of being funded if you are a non-priority applicant and/or project?

The MPCA's goal is to fund priority applicants and projects identified in the Request for Proposals (RFP). Due to limited program funding, non-priority applicants and projects will be considered only if funds remain available after consideration of all pending priority applicants/projects. As funds are repaid, additional loans may be awarded for other projects that will serve to improve Minnesota's environment and economy.

### 4. Am I still eligible for an EA Loan if I have received previous state funding for the proposed project?

Yes. Although the applicant cannot use other MPCA or state dollars to match the MPCA loan funds, having previously received other MPCA or state funding does not disqualify the applicant/project. If the MPCA has previously funded the project, the applicant must show how the proposed project differs from previously MPCA-funded projects.

### 5. Can the required match be my own funds?

- For Direct Loans, yes, the applicant must provide their own funds for the required match. As stated above, matching funds may not be derived from MPCA or other state sources.
- For Participatory Loans, no, the matching funds must come from a financial institution. Participatory Loans are made to an eligible applicant by a financial institution. The MPCA purchases a share of the loan through a participation agreement. The financial institution will act as the primary fiscal agent for administration and repayment of an awarded EA Participatory Loan.

### 6. Can other state funds be combined with the EA Loan funds?

Applicants can use other state funds from the MPCA or other agencies or departments to contribute to a project that is funded by an EA loan. However, other state funds cannot be used for the required match for EA loans, either direct loans or participatory loans.

### 7. Can the required match be in-kind instead of cash?

No. Matching funds for both Participatory and Direct Loans must be in the form of cash.

### 8. Do I have to have a letter from the bank if I am applying for a Direct Loan?

- Direct Loans are made by the MPCA with matching funds provided by the applicant, not by a participating financial institution on behalf of the applicant. Although a letter from a bank assessing risk and creditworthiness is not required, the applicant is encouraged to provide such a letter as a reference.