

## How do you qualify ...

Clients are considered qualified if they are low-equity and seek to better their economic condition by starting a new business, or by developing or expanding an existing one. Although low-equity persons are the target population, NESDEC's loan programs are open to all who apply from the service area. NESDEC is committed to help broaden the diversification of the economies of our rural area.

## What types of businesses ...

NESDEC helps businesses that are operating to earn a profit and are not in the business of relending, investing (speculation) or gambling (exception being if only a small source of income). The business must also adhere to federal and state guidelines.

## How do you apply ...

Call, fax, or e-mail the Northeast South Dakota Economic Corporation to request an application. Applications can also be found online at our website:

[www.nesdcap.org](http://www.nesdcap.org)

This brochure is provided for informational purposes only. This publication is not intended as an offer or an acceptance of any offer to loan funds or provide any services to the recipients of this brochure.

### PRIVACY POLICY

We value you as a customer and take your personal privacy seriously. We will inform you of our policies for collecting, using, securing and sharing nonpublic personal information the first time you do business with us and every year that you are a customer of the Northeast South Dakota Economic Corporation (NESDEC).

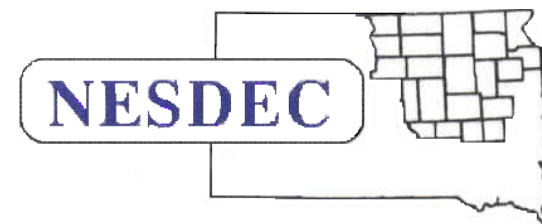
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In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discrimination on the basis of race, color, national origin, age, disability, religion, sex, and familial status. (Not all prohibited bases apply to all programs.)

NESDEC and USDA are equal opportunity providers, employers and lenders. To file a complaint of discrimination write: USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, DC 20250-9410, or call (800) 795-3272 (voice), or (202) 720-6382 (TDD).

# Northeast South Dakota Economic Corporation



Helping  
Northeast  
South Dakota  
Grow!

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## Who is NESDEC

The Northeast South Dakota Economic Corporation (NESDEC) is a 501(c)3 private, non-profit community and economic development organization. It was established in 1978 and is governed by a 15 member volunteer Board of Directors.

### NESDEC can:

- ◆ Pledge a Certificate of Deposit (CD) or participate in lending institution loans to small businesses;
- ◆ Make direct loans to individuals and/or businesses in need of assistance.
- ◆ Provide counsel, referrals and mediation to businesses in need of assistance.

### MISSION STATEMENT

To stimulate economic opportunities through loans, technical assistance and partnerships.

## Who does NESDEC serve?

NESDEC serves businesses and individuals in a 22-county area in Northeast South Dakota including the counties of *Beadle, Brown, Buffalo, Campbell, Clark, Codington, Day, Edmunds, Faulk, Grant Hand, Hyde, Jerauld, Kingsbury, Marshall, McPherson, Miner, Potter, Roberts, Sanborn, Spink and Walworth.*

## Community Benefits

NESDEC strives to expand the opportunities available to those residents who own, manage and operate businesses in its service area; to assist in developing entrepreneurial and management skills necessary for the operation of business enterprises; and to provide financial support for the successful operation of such business enterprises.

## What kinds of technical assistance are available?

The technical assistance program consists of explaining the requirements of the loan process and providing information, as well as referrals on matters such as the business plan, cash flow projections, start-up procedures, state/federal requirements, income/expense analysis, etc. At this time these services are provided to applicants at no cost.

## Loan Programs

NESDEC offers a variety of different programs and services which include:

## Certificate of Deposit Pledge Program

This is an innovative financing method in which NESDEC guarantees up to 50% of a loan from a private lender typically not to exceed \$20,000, in the form of a purchase of a Certificate of Deposit from a local lending institution. The CD Pledge program makes it more feasible for the lending institution to make the loan by collateralizing part of its repayment. Applicants must demonstrate a positive cash flow and provide a comprehensive business plan.

## Direct Lending

NESDEC provides direct loans for up to 50 percent of total project costs. Loans should be secured by collateral. All property serving as collateral may need to be appraised by a qualified appraiser. Applicants must demonstrate a positive cash flow and develop a comprehensive business plan. The direct loan program can be divided into:

- ◆ Direct Loans: Direct loans up to a maximum of \$150,000 provided at below market interest rate. Loans over \$25,000 typically involve a bank partner.
- ◆ Equity Fund: NESDEC has established a RAIN equity fund which may invest in businesses.
- ◆ Intermediary Re-lending Program: This is a direct loan program in which NESDEC will loan up to \$250,000 or 75% of the total project cost at below market interest rates. The source of capital for this program is USDA Rural Development.
- ◆ SBA Microloan Program: Direct loans up to \$35,000 ; rates and terms similar to direct loans.
- ◆ From time to time, NESDEC may have loan programs available that do not appear in this brochure.