

**Exhibit A**  
**Guidelines**  
**Real Estate Acquisition Loan Program (REP)**

**Purpose** To facilitate the reuse of small commercial and industrial properties in Minneapolis by facilitating and providing a source of affordable financing to small businesses for the acquisition and rehabilitation of properties in which to operate their business.

**Program Structure** REP will provide City financing in tandem with private banks and the Metropolitan Consortium of Community Developers (MCCD) for commercial/industrial acquisition projects. The private bank will finance at least 50% of the project, MCCD will facilitate financing for up to 40%, the City will provide 5% and the business borrower will provide the remaining funds in the form of equity.

**Loan amount** The MCCD share of the loan will be capped at \$400,000. No limit will be placed on the bank's share of the loan.

**Term**

The MCCD 40% share will be priced at the lender's rate and may be amortized over 20 years, with a term no to exceed 10 years.

The City's 5% loan will also be priced at the lender's rate with a term and amortization not to exceed 10 years.

A 1% origination fee on the City's portion of the loan is due at the time of closing.

**Eligible uses** Loan proceeds can be used to finance the acquisition and rehabilitation of commercial and industrial properties, in Minneapolis and to facilitate permanent financing for these properties. Refinancing of contracts for deed is an eligible use.

**Underwriting** Loans must comply with underwriting standards developed jointly by the participating bank, MCCD and the City.

**Collateral** .MCCD and the City loans will be secured by a second mortgage on the property being financed.

**Origination and servicing** The participating lender will originate and service the loans. The lender will remit monthly payments on the City share of the loan to the City.

**Fees** MCCD and the City will charge a 1% origination fee on their share of the loan. Fees will be collected at the time of closing.