



Announcing \$97 million in small business funding for Minnesota!

Dear DEED Partners,

Hope you're all doing well. I have some exciting news to share tied to funding support for small businesses in Minnesota. At a press conference this morning, I will join Governor Tim Walz in announcing \$97 million for small business support in our state through the State Small Business Credit Initiative (SSBCI).

The federal government has approved Minnesota for up to \$97 million in small business financing, which allows DEED – in partnership with all of you – to continue helping small businesses grow and succeed. Minnesota will receive funds in three disbursements over several years; the initial disbursement from the U.S. Department of Treasury is approximately \$29.5 million.

Based on research and dozens of listening sessions with many of you and other stakeholders over the last year, DEED is committed to addressing significant market gaps in financing with this funding. Before the end of 2022, our agency will launch six Treasury-approved programs under the new initiative to benefit small

businesses. In most cases, businesses will access funding through approved lenders or other external financial institutions.

The first launch: Minnesota Loan Guarantee program

Today, DEED launches the first program in this series: the [Minnesota Loan Guarantee Program](#). The program will provide guarantees to enrolled lenders for up to 80% of principal on loans to eligible businesses. This will help mitigate risk so lenders can increase capital available to small businesses across Minnesota.

Once lenders are enrolled, they will be able to make loans to Minnesota-headquartered small businesses using the loan proceeds for an eligible business purpose in Minnesota. Eligible business purposes include start-up costs, working capital, equipment, inventory, the purchase, construction, renovation, or tenant improvements of an eligible place of business that is not for passive real estate investment purposes, and the purchase any tangible or intangible assets except goodwill.

Lenders interested in participating in the Minnesota Loan Guarantee Program are invited to [participate in a webinar with DEED officials on October 26 at 1:00 p.m.](#) By early 2023, small businesses will be able to apply to the approved lenders.

More programs coming throughout the fall

The other small business funding streams launching in the weeks ahead include: loans to early stage technologically innovative businesses, automation loans and purchase loan participations. Additionally, a partnership with the University of Minnesota will provide opportunities for direct investment venture capital and venture capital fund investments. You can [sign up to receive notifications about the additional funding streams](#).

Bringing it all together: a new online Small Business Hub

To help small businesses and startups navigate these new programs and understand the breadth of DEED's existing resources for small businesses, the agency is also launching a new online Small Business Hub today.

The Hub is designed to help entrepreneurs navigate agency resources to start and grow their businesses. It provides resources and expertise for small business owners looking to launch in Minnesota, along with a comprehensive list of DEED program offerings to help entrepreneurs thrive.

It can be found at joinusmn.com/smallbusiness

The creation of one-stop shop resources was one of the recommendations of the [Governor's Council on Economic Expansion](#), which advocated for increased focus from the agency to help small business growth. That recommendation will remain a key priority of the Walz-Flanagan administration across the enterprise.

At DEED, we remain deeply appreciative of all of you – the partners who help us carry out this important work to serve Minnesotans across the state. Thank you for your ongoing efforts and collaboration!

All my best,

Steve

Steve Grove

Commissioner

Minnesota Department of Employment and Economic Development (DEED)
