

Frequently asked questions

Environmental Assistance Loan Program

This document will be updated occasionally.

1. Are start-up businesses eligible?

Those applicants deemed by the Minnesota Pollution Control Agency (MPCA) to be start-up businesses are not eligible for MPCA Direct Loans. However, such applicants remain eligible to apply for Participatory Loans. Start-up businesses are those without a business plan, legal registration, capital collateral, and/or at least one year operating history demonstrating ability to repay the loan.

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

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 always fund those 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 eligible applicants/projects. As funds are repaid, additional loans may be awarded for other projects that will serve to improve the environmental and economic quality of Minnesota.

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

Although the applicant cannot use other MPCA or state dollars to match the MPCA loan funds, having previously received other MPCA or state funding prior to this application does not disqualify the applicant/project. If the MPCA has previously funded the project, the applicant will be asked to show how the proposed project differs from that of the previously MPCA-funded projects.

5. Can the required match be my own funds?

In the case of Direct Loans, yes, the applicant must provide their own matching funds. For Participatory Loans, the matching funds must come from a financial institution. This is because Participatory Loans are loans made to an eligible applicant by a financial institution in which the MPCA purchases a share of the financial institution's loan to the eligible applicant by means of 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 are not required to contribute their own funds and can use funds from financial institutions and other sources. However, the required matching funds for an EA Loan cannot be those derived from the MPCA or other state agencies or departments.

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

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 being 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.