

Example Bank Commitment Letter

DATE

Mr. Larry Mandigo
Dakota Certified Development Corporation
4133 30th Ave. S. Suite 100
Fargo, ND 58104

RE: _____

Dear Mr. Mandigo:

We have reviewed the financial application and information for _____ loan request and regret that we will be unable to fund the entire purchase price of \$_____ as requested. Our lending policies do not allow us to fund 90% of a project for a twenty-year term at a fixed rate of interest. However, subject to SBA 504 financing of 40% of the project costs, _____ Bank would be willing to fund 50% or up to \$_____. _____ Bank would expect to be granted a first lien position on the assets purchased with loan proceeds. _____ Bank will also fund the interim loan of \$_____ until the SBA 504 funds are received by our bank.

The terms of the permanent loan would be _____ years at an interest rate of _____ prime plus _____% reviewed _____ and if necessary adjusted _____. There would be a _____% origination fee plus any actual costs such as title and recording fees.

We also agree to remit a _____ Bank check in the amount of ½ of 1% of our permanent loan (\$_____) payable to Colson Services Corporation. This check will be provided to the Dakota CDC by the Dakota CDC's closing document-signing date.

We trust this information will assist you in your financing arrangements. We will await a response at your earliest convenience.

Sincerely,