

Deferred Daycare Loan Program

Swift County is invested in increasing and ensuring the day care providers in this county have the resources that they need to meet licensure requirements and the resources to improve the daycare's curriculum, safety and equipment. The financing available will be on a first come first serve basis.

- **How do I qualify for a deferred day care loan?** You need to be currently licensed as a daycare provider or in the licensing process. If you are in the process of licensing you must have all the requirements met other than what you are applying the loan to assist you with (ie. Cribs to provide for safe sleep).
- **How much can I apply for?** For home day cares, the applicant can apply for up to \$150/child daycare is being provided for (ie. 10 children and you can apply for 1,500). Day care centers can apply for up to \$12,500.
- **What can I purchase or have done with the deferred loan?**
 - Home/facility modifications or upgrades required to meet licensure requirements
 - Educational curriculum and equipment
 - Safety improvements (ie. Fence around play area)
 - Needs to expand the number of children served (does not include operating expenses)
- **What do I need to provide for paperwork for the deferred loan?**
 - Complete the application
 - Provide a written estimate from vendor/contractor or evidence of cost of purchase (ie. Provide a link to the product for purchase, provide an ad with the product identified or a picture of the product including the price)
 - Once the product has been purchased or the work completed receipts must be provided to the county.
- **How does the deferred loan program work?** The deferred loan program forgives 20% of the loan for each year you are providing daycare from the date the loan was given. The loan will be completely forgiven after 5 years.
- **What happens if I quit daycare or move before the 5 years is up?** Upon leaving the daycare business you can pay the remainder of the principle in full with no penalty or interest. If you need to make payments on the loan a 4% interest rate will start at the same time you start making payments. The amount will be based on the amount of your loan and will be determined at the time the deferred loan contract is drawn up.
- **When can I expect to receive the loan?** Once your application is submitted, it will take up to 5 business days (unless it is emergent...license suspended unless fixed) for loan approval and if approved up to one week for the payment to be processed and mailed to you. If the need is emergent it will take one business day for the application to be processed.

If you have questions in completing your application or more questions about how the program works, please call Catie Lee at 320-843-6301.

How the Daycare Deferred Loan Program Works

Finance Example for Home Daycare Providers



Meet Maureen.

Maureen has a daycare licensed for 10 children in Swift County, 2 of those children are hers. Recently she has been having trouble with her hot water heater. She cannot get it to consistently meet the required 120 degrees and the capacity is too small to keep hot water during daycare hours.

Step 1. Maureen gets estimate from a vendor

Step 2. Completes the application and sends the application and the estimate into Swift County Human Services

Step 3. Human Services Daycare Deferred Loan Committee reviews the request loan for \$1500 (10 children X \$150) and determines approval based on available funding. If approved payment will be received within one week of approval.

Hot Water Heater

Estimate

AAA Plumbing and Heating	
Water Heater	\$647.00
Labor	\$640.00
Job Supplies	\$ 46.00
Disposal of old	\$ 50.00

Total \$1683

TOTAL COSTS = \$1683

Daycare Preferred Loan PROGRAM
(up to \$1,500)

Deferred Loan = \$1,500

Daycare Provider
(Maureen)

Pays \$183



Step 4. Water heater is replaced and copy of the final bill is sent to Swift County Human Services.

Step 5. Maureen provides day care for the next 5 years and beyond

At the end of each year, 20% of Maureen's loan is forgiven. 20% = \$300

After 5 years, the loan is 100% forgiven. If Maureen no longer provides daycare after 2.5 years, 50% is forgiven and 50% is repaid. If monthly payments are requested a 4% interest rate will be accrued.

Finance Example for Daycare Center Providers



Meet ABC Daycare Center.

ABC daycare is in the startup phase and has completed most of the licensing process. They are in need of 12 infant cribs, 8 tables, 32 chairs and curriculum for the kids.

Step 1. ABC Daycare finds vendor on-line that meets the safety requirements and provides the website links.

https://www.schooloutfitters.com/catalog/product_info/pfam_id/PFAM25029/products_id/PRO39936

<https://www.google.com/search?q=daycare+curriculum+kits&og=daycare+curric&aqs=chrome.2.0j69i57j0l4.5008j0j8&sourceid=chrome&ie=UTF-8>

Step 2. Completes the application and sends the application and the estimate into Swift County Human Services

TOTAL COSTS = \$13,824

Step 3. Human Services Deferred Loan Committee reviews the request loan for \$12,500 and determines approval based on available funding. If the loan is approved, payment will be made within one week.

**Day Care Preferred Loan
PROGRAM**
(up to \$12,500)

Deferred Loan = \$12,500

**Day Care
Provider**
(ABC)

Pays \$1,324

Start up Equipment
ABC Daycare

12 cribs	\$ 3492
Playground equip.	\$ 4500
Table & Chairs	\$ 4982
Curriculum	\$ 850
Total	\$13,824



Step 4. Equipment is ordered and received.

Step 5. ABC Daycare provides day care for the next 5 years and beyond

At the end of each year, 20% of ABC's loan is forgiven. 20% = \$300

After 5 years, the loan is 100% forgiven. If ABC no longer provides daycare after 2.5 years, 50% is forgiven and 50% is repaid. If monthly payments are requested a 4% interest rate will be accrued