

# Commercial Loan vs MinnPACE

	Commercial Loan	MinnPACE
<b>Purpose</b>	General business needs	Energy efficiency, renewable energy, water conservation, resilience projects
<b>Financing Coverage</b>	Typically 70–80% of project costs, 5–30% down	Up to 100% of eligible costs, often no down payment
<b>Loan Term</b>	3–7 years (sometimes up to 25)	Up to 30 years, aligned with life of improvements
<b>Rates &amp; Repayment</b>	Fixed or variable rates, monthly payments start immediately	Fixed rates, deferred repayment. Paid back via property tax bills (twice a year)
<b>Security &amp; Guarantees</b>	Collateral and personal guarantees usually required	Tied to property through special tax assessment, no personal guarantee needed
<b>Transferability</b>	Must pay off or refinance when property sells	Assessment stays with property and can transfer to new owner