



BUSINESS INVEST PROGRAM



Business Invest fosters entrepreneurship, job growth and economic development by making loans more affordable for businesses to start-up or expand.

After a participating lender approves your loan, **Business Invest** works with your lender to lower your interest rate. You can use the loan to acquire land, purchase equipment or inventory or make capital improvements.

I am a small business owner. How can I use Business Invest?

By working with your lender, the **Business Invest** program allows small business owners to receive a reduced interest rate for up to five years on a loan up to \$1 million. A business' gross annual receipts must be \$3 million or less, or under \$5 million if in a low to moderate income community.

I want to expand my workforce. How can I use Business Invest?

Businesses of any size adding permanent jobs to their payrolls may receive a reduced interest rate for up to five years on a loan up to \$10 million.

I am a child care provider. How can I use Business Invest?

Licensed child care providers may receive a reduced interest rate for up to five years on a loan up to \$10 million.



Business Invest in action:

*The drill bit business was booming, but small business owner Tim Thomas was worried his 400-square-foot fabrication shop was too small to keep pace. That's why he turned to the **Business Invest** program. He secured a low-interest rate loan to expand his office space and build a machine shop, warehouse and storage in downstate Logan. "I was pleasantly surprised that the process was so straight forward and quick," he said, noting it took just a week for his application to be approved. "It means a lot to me that I can give something back to this area."*



BUSINESS INVEST PROGRAM

Frequently Asked Questions

The **Business Invest** program stimulates job creation and supports Illinois businesses of all shapes and sizes by encouraging financial institutions to offer interest rate reductions to new and existing businesses.

How does the program work?

For each approved project, the Treasurer's Office deposits funds at a discounted rate into an eligible financial institution. The Treasurer's Office thereby "buys down" the interest rate on the loan, enabling business owners to obtain below-market rates for up to the first five years of the loan.

What are the eligibility requirements?

- **Job Creation:** Applicant businesses must add permanent jobs to their payroll as a result of the loan. Jobs created may be full-time or part-time, salaried or hourly. The business may be of any size.
- **Small Business:** Applicant businesses must have gross annual receipts (based upon previous complete fiscal year) of \$3 million or less. Businesses in low to moderate income census tracts may have gross annual receipts of up to \$5 million.
- **Child Care:** Applicant child care providers must create new, licensed child care slots as a result of the loan. Applicants may be for-profit or not-for-profit child care providers.

In addition to the above eligibility guidelines, the Treasurer's Office also evaluates the merit of each project, including the benefit of the project to the community and the state, and weighs the applicant's need for assistance.

What is the eligible deposit value?

- **Job Creation:** Eligible deposit value is equal to the total projected annual payroll and benefits costs associated with the new jobs, up to a maximum of \$10 million.
- **Small Business:** Eligible deposit value is equal to the loan value, up to \$1 million.
- **Child care:** Eligible deposit value is equal to \$10,000 per new licensed child care "slot" created, up to a maximum \$10 million. The deposit value may not exceed the value of the loan or the total value of eligible costs.

What types of costs does the program cover?

The program can cover costs related to:

- Property acquisition
- Construction or expansion of a facility
- Purchase of equipment and/or inventory
- Permanent working capital needs

The program cannot be used in conjunction with lines of credit or to refinance existing debt.

What is the interest rate?

The interest rate may not exceed 5 percent for qualified borrowers at participating financial institutions.

What is the term of the loan?

The term of the loan is negotiated between the business and financial institution for any number of years. The Treasurer's Office may participate by depositing funds in the financial institution for up to the first five years of the loan, making an initial commitment of two years, with the ability to renew for an additional three years based upon satisfactory project compliance with the program guidelines.

Does the program guarantee the loan?

The program does not provide a loan guarantee or any type of credit enhancement, nor does it have any impact on the financial institution's normal credit requirements.

Which lenders are eligible to participate? What if my financial institution is unfamiliar with the program?

Over 400 financial institutions are eligible to participate in the program. Contact the Treasurer's Office or visit www.treasurer.il.gov for a complete list. If your financial institution does not currently participate or has questions about the program, please refer its loan officer to the Treasurer's Office.

How do I apply?

1. Contact the Treasurer's Office for an overview and list of eligible lenders.
2. Apply for and receive approval for a loan from an eligible lender.
3. Apply for a **Business Invest** interest rate reduction with assistance from your lender. A fill-in pdf application is available online.
4. If approved, the Treasurer's Office deposits state funds at your lender. The lender then lowers your interest rate for up to five years.