



EMPLOY ILLINOIS BUSINESS PROGRAM

Frequently Asked Questions

The **Employ Illinois Business Program** stimulates job creation and supports small businesses in Illinois by offering low-interest loans to start-up and existing businesses.

Types of Employ Illinois business loans:

- **Job Creation** loans require businesses to create new jobs
- **Small Business** loans require businesses to have annual gross receipts of up to \$3 million; businesses in low-income census tracts may have gross receipts of up to \$5 million
- **Reserve Forces** loans require businesses to anticipate economic hardship due to the activation of a business owner or key employee for 90 consecutive days

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 "buys down" the interest rate, enabling business owners to obtain below-market rates for up to the first five years of the loan.

What are the eligibility requirements?

For each project, the bank or financial institution must approve the loan before the business applies to take part in the Treasurer's program. Businesses must complete and submit an application to the Treasurer's Office prior to start of the project.

What types of costs does the program cover?

The program can cover costs relating to real estate acquisition, construction, equipment, inventory and permanent working capital. The program cannot be used in conjunction with lines of credit or to refinance existing debt.

How are the funds typically used?

Based upon the eligible cost areas listed above, funds are typically used to finance:

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

What is the maximum amount of financing available?

Job Creation loans: Deposits are equal to the combined projected annual payroll and benefits costs associated with the new jobs, up to \$10 million per project.

Small Business loans: Deposits are made for up to \$1 million per project. **Reserve Forces** loans: Deposits are made available up to \$250,000 per project.

*For each project, the amount of the deposit may not exceed the value of the loan or the total value of the eligible project costs.

What is the interest rate?

The Treasurer's Office quotes the discounted deposit rate available at the time the deposit is made. Deposit rates are calculated daily and are available by visiting www.treasurer.il.gov and clicking the Daily Rates link. The financial institution may not mark up the deposit rate by more than 3 percent.

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 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.

Does the program guarantee the loan?

The program does not provide a loan guarantee or any type of credit enhancement to the borrower, 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?

More than 400 banks and financial institutions are eligible to participate in the Treasurer's Economic Opportunity programs. Contact the Treasurer's Office or visit www.treasurer.il.gov for a complete list. If your financial institution does not 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 of the program.
2. Apply for a loan at a participating financial institution and obtain its agreement to use the program.
3. Complete and submit a program application and all required documentation to the Treasurer's Office and schedule a site visit.
4. Your financial institution must submit a completed application for a linked deposit and a project information form.
5. The Treasurer's Loan Committee, which meets twice a month, will review your application for approval.

For further information or assistance, please contact the State Treasurer's Office at (312) 814-8953 or (217) 558-6222.