

# ILLINOIS BUSINESS FINANCING MATRIX

A Guide for Federal, State and Regional Loan  
Incentive and Grant Programs for  
Business and Economic Development





# ILLINOIS BUSINESS FINANCING MATRIX

PROGRAM	SBA International Trade Loan Short and long- term financing	SBA Export Working Capital Program Special application, fast turnaround; may apply for prequalification letter	SBA 7(m) MicroLoan Program Through nonprofit lending organizations; technical assistance also provided; pilot program, limited sites	SBA 504 Certified Development Company Program Long- term, fixed- asset loans through nonprofit development companies; must create or retain 1 job per \$35,000 of debenture proceeds	United State Department of Agriculture -USDA Business Industrial
<b>PURPOSE</b>	Working capital; acquisition or improvements in US for producing goods or services; may not be used to repay existing debt	Short-term working-capital loans for pre-export or post-shipment financing of specific exporter orders	Purchase equipment, machinery, fixtures, leasehold improvements; finance increased receivables; working capital; may not be used to repay existing debt	Purchase of major fixed assets such as land, buildings, improvements, long- term equipment, construction, renovation	Land & building, new construction or renovation equipment working capital + refinance (maximum 50% of project)
<b>ELIGIBILITY</b>	Small businesses engaged in international trade or adversely affected by competition from imports; see 7(a) for qualification	Small business exporters who need short-term working capital to initiate or expand exports; see 7(a) for other qualifications	Same as 7(a)	For-profit businesses that do not exceed \$7 million in tangible net worth and did not have average net income over \$2.5 million for past 2 years	Virtually any legally organized entity
<b>LOAN AMOUNT</b>	Up to \$2 Million SBA share	Up to \$1,000,000 SBA share (may be combined with International Trade Loan to reach \$1.25 Million)	\$35,000 (total loan amount)	Up to \$1,300,000	Up to \$25,000,000 aggregate per borrower
<b>TERM</b>	Up to 25 years	Matches single transaction cycle up to 18 months or 1 year line of credit for multiple sales	Shortest term possible, not to exceed 6 years	10 or 20 years	Real estate 30 yr Equipment 15 yr Working Cap 7 yr
<b>RATE</b>	See 7(a)	No cap	Negotiable with intermediary	Based on current market rate for 5-10 year Treasury issues, plus an increment above Treasury rate	Lender
<b>FEES</b>	See 7(a)	See 7(a): no restrictions on servicing fees	No guaranty fee	Fees related to debenture, approx 3%	2% on guaranteed portion
<b>JOB CRITERIA</b>					Potential to create & retain jobs
<b>OTHER REQUIREMENTS</b>					No in-house debt refinancing (greater than 50% of the total package)
<b>WEBSITE</b>	<a href="http://www.sba.gov">www.sba.gov</a>	<a href="http://www.sba.gov">www.sba.gov</a>	<a href="http://www.sba.gov">www.sba.gov</a>	<a href="http://www.sba.gov">www.sba.gov</a>	<a href="http://www.rurdev.usda.gov">www.rurdev.usda.gov</a>

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PROGRAM	DCEO Capital Access Program	DCEO Enterprise Zone Financing Program	DCEO Participation Loan Program	DCEO Minority & Women Participation Loan Program	Illinois Development Finance Authority IDFA Rural Development Loan Program
<b>PURPOSE</b>	Designed to encourage lending institutions to make loans to new and small business that do not qualify under conventional lending policies	Land & building, new construction or renovation equipment working capital	Land & building, new construction or renovation equipment working capital	Land & building new construction or renovation equipment working capital	Assist businesses in rural communities with pop. less than 25,000 finance fixed asset project
<b>ELIGIBILITY</b>	Any for profit entity w/less than 500 employees located in IL	Any for profit entity w/less than 500 employees located in IL Enterprise Zone	Any for profit small business w/less than 500 FT employees	Minority and/or women business; <500 employees	Business facilities and community development projects in eligible rural areas.
<b>LOAN AMOUNT</b>	Up to \$100,000	Up to \$750,000 or 25%)	25% up to \$750,000 or for Minority, Women, Disabled 50% up to \$50,000	Up to \$50,000 or 50%	Up to \$150,000 or 75%
<b>TERM</b>	Lender sets terms	Match participating bank. No more than 10 years unless ballooned	Match participating bank. No more than 10 years unless ballooned	Real estate: 10-20 yr Equipment: 7-10 yr Working cap: 3-5 yr	Up to 10 years
<b>RATE</b>	Lender sets rate	Call DCEO Business Finance Division for current rate at 217/782-3891	Call DCEO Business Finance Division for current rate at 217/782-3891	Call DCEO Business Finance Division for current rate at 217/782-3891	Fixed Interest rate of 6%
<b>FEES</b>	Each loan has a one-time enrollment fee of 3-7%	None	2% subordination fee if DCEO is requested to subordinate	None	\$100 non -refundable application fee \$225 loan commitment fee \$225 loan servicing fee
<b>JOB CRITERIA</b>	None	Potential to create & retain jobs	Potential to create & retain jobs	\$10,000/job created/retained	Must create or retain jobs
<b>OTHER REQUIREMENTS</b>	No Debt Refinancing or Contingency	No Debt Refinancing or Contingency	No Debt Refinancing or Contingency	Personal guarantees; bank commitment letter required No debt refinancing	
<b>WEBSITE</b>	<a href="http://www.illinoisbiz.biz">www.illinoisbiz.biz</a>	<a href="http://www.illinoisbiz.biz">www.illinoisbiz.biz</a>	<a href="http://www.illinoisbiz.biz">www.illinoisbiz.biz</a>	<a href="http://www.illinoisbiz.biz">www.illinoisbiz.biz</a>	<a href="http://www.idfa.com">www.idfa.com</a>

# ILLINOIS BUSINESS FINANCING MATRIX

PROGRAM	Illinois Development Finance Authority IDFA Title IX Revolving Loan Program for Manufacturing Businesses	Illinois Development Finance Authority IDFA Industrial Revenue Bond Program	IL State Treasurer's Economic Program STEP	IL State Treasurer's Day Care Program	Traditional Bank Financing
<b>PURPOSE</b>	Land, building, machinery and equipment, building construction or renovation and leasehold improvements	Land & building new renovation or renovation equipment issuance cost	Encourage economic development throughout Illinois resulting in additional jobs being created by the borrower	Encourage the construction and expansion of licensed day care facilities in Illinois	Purchase real estate, working capital, real estate construction, machinery and equipment
<b>ELIGIBILITY</b>	A manufacturing concern located within one of the areas designated by Economic Development Administration (EDA)	Facilities that are primarily used for manufacturing or processing tangible products	Creditworthy as determined by their financial institution who assumes the credit risk	Must be licensed by the Illinois Department of Children and Family Services	Legally organized entity
<b>LOAN AMOUNT</b>	Up to \$200,000;	\$1,500,000 Recommended minimum	\$25,000 per job created	Not to exceed \$5 million.	Based on value of collateral and cash flow
<b>TERM</b>	Up to 10 years for real estate; 7 years for equipment	Up to 10 years	5 years maximum	5 years maximum	Negotiable
<b>RATE</b>	Fixed, reduced interest – ½ prime w/minimum of 4%	Lower than conventional financing usually below Prime	Below market	Below market	Fixed and variable at prevailing market rates
<b>FEES</b>	\$100 non-refundable application fee; \$225 loan commitment fee; \$225 loan servicing fee	\$1,500 application; fee non-refundable; closing fee equal to 75 basis points on the par amount of bonds 50 basis points on refinancing of existing Industrial Revenue Bonds	None	None	Negotiable
<b>JOB CRITERIA</b>	Must create or retain jobs	Must create or retain jobs	Permanent or part-time equivalent	None	None
<b>OTHER REQUIREMENTS</b>	Loans totaling the lesser of 40% of fixed-asset costs or \$200,000 are available		Application for STEP must be approved by the Treasurer's Office	Application for Day Care Program must be approved by the Treasurer's Office	
<b>WEBSITE</b>	<a href="http://www.idfa.com">www.idfa.com</a>	<a href="http://www.idfa.com">www.idfa.com</a>	<a href="http://www.state.il.us/treas/">www.state.il.us/treas/</a>	<a href="http://www.state.il.us/treas/">www.state.il.us/treas/</a>	

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PROGRAM	DCEO Tourism Attraction Development Grant Program	DCEO Tourism Marketing Partnership Program	DCEO Tourism Private Sector Grant Program	DCEO Illinois Recycling Grant Program	DCEO Recycling Expansion and Modernization (REM) Program
<b>PURPOSE</b>	Provide matching grants to assist in funding the development of projects that increase the economic impact of tourism throughout Illinois	Provides financial assistance to counties, municipalities, not-for-profit organizations and local promotion groups for the promotion and marketing of tourism attractions and events. Promotional projects may include radio, television, newspaper, magazine ads, printed brochures, website development, travel and trade show registration and marketing research.	Assist in attracting and hosting tourism events with the potential to attract visitors from outside of 50 mile radius and to produce significantly increased economic impact for Illinois	Provides grants that assist in the development or expansion of recycling collection and processing efforts.	Provides matching grants for projects that divert materials from the municipal solid waste stream and improve business performance of Illinois organizations, while offering public economic benefits. Applicants must meet cash match requirement of 25% of total project costs.
<b>ELIGIBILITY</b>	For-profit business developing a new attraction in Illinois	Not for profit organization's with demonstrated local match. For profit businesses can work with their local Visitor's and Tourism Bureaus.	For-profit business with demonstrated local match	Governmental organizations, for-profit businesses and not-for-profit organizations	For-profit businesses, governmental entities, colleges/universities, not-for-profit organizations. Eligible <i>materials</i> : solid waste. Hazardous and Special materials NOT eligible.
<b>LOAN / GRANT AMOUNT</b>	50% of actual expenditures with a maximum of \$1,000,000	Up to 50% of the eligible costs associated with the development of the marketing material.	Up to 50% of the eligible costs associated with event when remaining 50% of project cost is financed by private sector funds Minimum of \$20,000 in project costs	Grants up to \$50,000 for collection projects and up to \$100,000 for processing projects.	Grants are available for specific levels of service, including Assessment Service (\$30,000), Demonstration Service (\$150,000) and Implementation Service (\$250,000)
<b>TERM</b>	2 years	1 year	2 year	None	None
<b>RATE</b>	None	None	None	None	None
<b>FEES</b>	None	None	None	None	None
<b>JOB CRITERIA</b>	None	None	None	None	Considered as a project evaluation criteria, but not a requirement.
<b>OTHER REQUIREMENTS</b>	Ineligible activities include but are not limited to debt refinancing, Contingency funding, normal operating expenses, routine staff, or administrative expenses	Ineligivle activities include but are not limited to administration costs, travel, normal postage, association fees, event production expenses, promotion of county fairs, street banners, projects promoting for profit businesses, quick print material, purchase of rental equipment and maintenance fees.	Ineligible activities include but are not limited to permanent improvements to facilities, purchase of equipment, normal payroll or operating expense and purchase of alcoholic beverages	Collection and processing projects must involve three different types of materials; commercial projects must at least two types of materials. Special, hazardous and industrial processing waste are not eligible.	All projects must occur in Illinois and propose best practices in solid waste management involving either source reduction and/or waste reduction, including recycling and reuse. Eligible project expenses are determined by the specified REM level of service, but may include capital equipment and/or consultation services.
<b>WEBSITE</b>	<a href="http://www.illinoisbiz.biz">www.illinoisbiz.biz</a>	<a href="http://www.illinoisbiz.biz">www.illinoisbiz.biz</a>	<a href="http://www.illinoisbiz.biz">www.illinoisbiz.biz</a>	<a href="http://www.illinoisbiz.biz">www.illinoisbiz.biz</a>	<a href="http://www.Illinoisrecycles.com">www.Illinoisrecycles.com</a>



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<b>PROGRAM</b>	<b>DCEO Entrepreneurship Center Award Grants</b>	<b>Illinois Ventures for Community Action (IVCA) Community Services Block Grant Loan Program</b>
<b>PURPOSE</b>	Assists entrepreneurs in obtaining professional services that will help the business achieve a significant milestone.	Loans at interest rates far below the traditional rates available through a conventional lender. This interest when paid is filtered through local community action agencies, which provide programs to aid low-income people in Illinois
<b>ELIGIBILITY</b>	Entrepreneurs, small or medium sized for-profit businesses with less than 500 employees; engaged in creating new services or products with high-growth potential; and projecting 10% growth rate in employment and revenues annually for 3 years.	For-profit entities that meet SBA size guidelines Financial Institutions are not eligible.
<b>LOAN / GRANT AMOUNT</b>	Maximum award is \$5,000 with a 100% cash match by the entrepreneur.	49% or less of the total cost of project
<b>TERM</b>	None	Up to 10 years
<b>RATE</b>	None	5-7.5%
<b>FEES</b>	None	Processing fee and cost incurred
<b>JOB CRITERIA</b>	None	\$15,000/1 full time or 2 part time jobs 0
<b>OTHER REQUIREMENTS</b>		
<b>WEBSITE</b>	<a href="http://www.illinoisbiz.biz">www.illinoisbiz.biz</a>	<a href="http://www.ilventures.org">www.ilventures.org</a>



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<b>PROGRAM</b>	<b>DCEO TIF (Tax Increment Financing) District</b>	<b>DCEO Enterprise Zone</b>	<b>DCEO Community Development Assistance Program City Revolving Loan Fund</b>
<b>PURPOSE</b>	Economic development tool for Cities, Villages, and Towns. Helps to fund new development by dedicating the increased real estate taxes generated by a project to the developer to defray eligible expenses. Developer pays initial cost of eligible site expenses and is reimbursed annually from the TIF fund.	To induce commercial and industrial firms to locate within city's zone boundaries.	Job retention or creation for low to moderate income persons
<b>ELIGIBILITY</b>	Defray costs of all reasonable or necessary expenditures, incurred or estimated to be incurred, and any incidental costs to a redevelopment plan and project. Includes: land costs (purchase, demolition clearing, grading), consulting costs, sewer, water, streets, reconstruction, repair, renovation, parking, site work, landscaping, job training, construction interest, interest rate buy down. Excludes cost of newly constructed buildings.	Commercial or industrial firm located within city's zone boundaries.	Applicant must demonstrate financial need - City of Ottawa uses recaptured Community Development assistance program dollars and then participates with a local lender or other source of equity - Cannot be used to refinance existing debt
<b>LOAN AMOUNT</b>	Annual distribution of TIF revenues determined by a Redevelopment Agreement between City and developer. Usually 50% of revenues to each. City may issue bonds to pay for any necessary public infrastructure improvements.	State and Local Tax Incentives: Property Tax Abatement @ \$8 per \$100 evaluation + Sales Tax exemption @ 6 1/4% of materials cost + various investment tax credits + fee waivers	Loan amount from City is generally \$10,000 for each full time equivalent job created or retained - \$10,000 minimum - 2 to 1 match (local lender 2, City 1) but city can increase to 1/2 of project
<b>TERM</b>	Bonds issued for 20 years - District can last for 23 years	10 years	7 to 15 years
<b>RATES</b>	Determined by City Council	n/a	Lender rate negotiated - City rate 5%
<b>FEES</b>	n/a	n/a	\$100 fee plus 1.5% origination fee to city
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<b>PROGRAM</b>	<b>501(c)(3) Bond Financing Program - IDFA</b>	<b>501(c)(3) Lease Program – IDFA</b>
<b>PURPOSE</b>	Development Finance Authority helps non-profit, 501(c)(3) corporations secure low cost, tax-exempt financing for capital improvements through tax-exempt revenue bonds. For acquisition, construction or renovation of real estate, acquisition of machinery, equipment, other fixed assets, or refinancing outstanding debt.	Development Finance Authority provides non-profit, 501(c)(3) corporations with low cost, tax-exempt lease financing for acquisition of machinery, equipment or other fixed asset and capital improvement projects.
<b>ELIGIBILITY</b>	Any non-profit corporation with a 501(c)(3) designation from the IRS. Projects must reside in Illinois. Final determination of eligibility is subject to legal opinion from a recognized municipal bond attorney.	Any non-profit corporation with a 501(c)(3) designation from the IRS. Projects must reside in Illinois. Final determination of eligibility is subject to legal opinion from a recognized municipal bond attorney.
<b>LOAN AMOUNT</b>	up to 100% of project	Lease - purchase agreement
<b>TERM</b>	long term - exact term to be determined in each case - usually matching useful life of asset financed.	term to be determined in each case usually matching useful life of asset financed.
<b>RATES</b>	to be determined - less than conventional financing	to be determined - less than conventional financing
<b>FEES</b>	\$1,000 non-refundable application fee	\$1,000 non-refundable application fee. Plus 50 b.p. of face amount of lease due at closing (minimum \$1,000).
<b>WEBSITE</b>	<a href="http://www.idfa.com">www.idfa.com</a>	<a href="http://www.idfa.com">www.idfa.com</a>