

# ILLINOIS BUSINESS FINANCING MATRIX

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



Compiled by  
First Stop Business Information Center  
Illinois Small Business Office  
Illinois Department of Commerce and Economic Opportunity

Revised 5/03

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PROGRAM	SBA 7(a) Loan Guaranty Program The SBA's primary loan program	SBA LowDoc One-page SBA loan application, quick turnaround after applicant meets lender requirements	SBA Minority Prequalification Loan Program & Women's Prequalification Loan Program Intermediaries help prepare application and secure loan; both pilot programs, limited sites	SBA CAPLines Seasonal, Contract, Builders, Standard Asset- Based, and Small Asset-Based	SBA Express Lender approves loan, no additional paperwork for SBA; pilot program, limited sites	SBAExport Express Same as SBAExpress with trade related exceptions
<b>PURPOSE</b>	Business start ups or expansion; construction of new facility; purchase land or buildings; purchase equipment, fixtures, leasehold improvements; working capital; refinance debt for compelling reasons; inventory	Same as 7(a) except may not be used to repay certain types of existing debt	See 7(a)	Finance seasonal working-capital needs; costs to perform; construction costs; advances against existing inventory and receivables; consolidation of short-term debts possible	Same as 7(a); limitations on real estate and construction; may be used for term loans or revolving credits	Broad range of financing needs aimed at initiating or expanding export activity. See Program Guide for details
<b>ELIGIBILITY</b>	Must be operated for profit; meet SBA size standards; show good character, management expertise and commitment, and ability to repay; may not be involved in speculation or investment in rental real estate	Same as 7(a), program relies on applicant's character and credit history	Must be at least 51% owned and operated by racial/ethnic minority or women; focus on credit history, ability to repay, probability of success	Existing businesses, See 7(a)	See 7(a)	See 7(a) Note: must have minimum 1 full year operating history
<b>LOAN AMOUNT</b>	Up to \$1,000,000	Up to \$150,000	Up to \$250,000	\$1,000,000 (except Small Asset-Based) \$200,000 (total loan amount)	Up to \$250,000	\$Up to \$250,000
<b>TERM</b>	Depends on ability to repay; generally working capital is 5-7 years; machinery /equipment up to 10 years; real estate, construction, up to 25 years (not to exceed life of equipment)	Depends on ability to repay and use of proceeds, but not to exceed 25 years for fixed assets; 10 years in all other uses	See 7(a)	Up to 5 years	Term loan same as 7(a); no more than 5 years on revolving line of credit	Term loan same as 7(a); no more than 5 years on revolving line of credit
<b>RATE</b>	Negotiable with lender; loans under 7 years, max. prime + 2.25%; 7 years or more, max. 2.75% over prime; under \$50,000, rates may be slightly higher	See 7(a)	See 7(a)	See 7(a)	See 7(a)	See 7(a)
<b>FEES</b>	Paid by lender (may be passed on). Based on maturity, amount of SBA exposure: 1 year or less, 0.25%; over 1 year, SBA share \$150,000 or less, 1%; \$150,000 - \$700,000, 2.5%; more than \$700,000, 3.5%	See 7(a)	See 7(a); plus minority program may use for profit intermediaries; women's program uses non-profits only; both may charge fees	See 7(a) Under Standard Asset-Based, no restrictions on servicing fees	See 7(a)	See 7(a)
<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.sba.gov">www.sba.gov</a>	<a href="http://www.sba.gov">www.sba.gov</a>

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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 DELTA Defense Loan and Technical Assistance Program, provides financial and technical assistance to help defense-dependent firms diversify into commercial market; effort of SBA and DoD	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	Defense conversion see 7(a), 504	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	Defense-dependent small firms adversely affected by defense cuts; see 7(a), 504 for 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 \$1.25 Million SBA share	Up to \$1,000,000 SBA share (may be combined with International Trade Loan to reach \$1.25 Million)	\$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	See 7(a), 504	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	See 7(a), 504	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	See 7(a), 504	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.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) 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	Land & building, new construction or renovation machinery, equipment	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	Any industrial businesses (i.e., manufacturing and industrial warehousing)	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 \$300,000 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	Match participating bank. No more than 10 years unless ballooned	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	150 basis points below the rate a bank charges the borrower	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	None (Bank may retain 50 basis points as a servicing fee)	\$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	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>	<a href="http://www.idfa.com">www.idfa.com</a>

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PROGRAM	Illinois Development Finance Authority IDFA Title IX Revolving Loan Fund Program	Illinois Development Finance Authority IDFA Industrial Revenue Bond Program	IL State Treasurer's Economic Program STEP	IL State Treasurer's Day Care Program	IL & MI Canal National Heritage Corridor Revolving Loan Fund	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	Land & building, new construction or renovation equipment working capital	Purchase real estate, working capital, real estate construction, machinery and equipment
<b>ELIGIBILITY</b>	A manufacturing concern located within one of the following 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	Creditworthy cos. in the National Heritage Corridor	Legally organized entity
<b>LOAN AMOUNT</b>	Up to \$100,000 or 30% of fixed-asset cost	\$1,500,000 Recommended minimum	\$25,000 per job created	Not to exceed \$5 million.	Up to \$100,000 or 33% of total package	Based on value of collateral and cash flow
<b>TERM</b>	Up to 10 years	Up to 10 years	5 years maximum	5 years maximum	Based on useful life	Negotiable
<b>RATE</b>	Fixed Interest rate of 7.5%	Lower than conventional financing usually below Prime	Below market	Below market	Fixed below prime	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	None	Negotiable
<b>JOB CRITERIA</b>	Must create or retain jobs	Must create or retain jobs	Permanent or part-time equivalent	None	\$10,000/job created	None
<b>OTHER REQUIREMENTS</b>			Application for STEP must be approved by the Treasurer's Office	Application for Day Care Program must be approved by the Treasurer's Office	Personal guarantees; bank commitment letter required	
<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>	Website under construction for information call: 815/588-6040	

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PROGRAM	DCEO Tourism Attraction Development Grant Program	DCEO Tourism Private Sector Grant Program	DCEO Illinois Recycling Grant Program	DCEO Technologies & Practices Demonstration Grant Program
<b>PURPOSE</b>	Provide matching grants to assist in funding the development of projects that increase the economic impact of tourism throughout Illinois	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 grants that assist in the demonstration of an innovative or developing technology that minimizes landfill disposal.
<b>ELIGIBILITY</b>	For-profit business developing a new attraction in Illinois	For-profit business with demonstrated local match	Governmental organizations, for-profit businesses and not-for-profit organizations	Governmental entities, private businesses and not-for-profit organizations.
<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 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 up to a maximum \$150,000 for the purchase of equipment or testing/monitoring of the technology.
<b>TERM</b>	None	None	None	None
<b>RATE</b>	None	None	None	None
<b>FEES</b>	None	None	None	None
<b>JOB CRITERIA</b>	None	None	None	None
<b>OTHER REQUIREMENTS</b>	Ineligible activities include but are not limited to debt refinancing, Contingency funding, normal operating expenses, routine staff, or administrative expenses	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 address the recycling or reduction of non-hazardous waste material generated and/or disposed of in Illinois landfills.
<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>

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PROGRAM	Illinois Farm Development Authority (IFDA) Beginning Farmer Bond Program	Illinois Farm Development Authority (IFDA) Specialized Livestock Guarantee Program	Illinois Farm Development Authority (IFDA) State Guarantee for Restructuring Agricultural Debt	Illinois Farm Development Authority (IFDA) Value-Added Stock Purchase Guarantee	Illinois Farm Development Authority (IFDA) Young Farmer Guarantee Program	Illinois Farm Development Authority (IFDA) Agri-Industries Guarantee Program
<b>PURPOSE</b>	To provide reduced interest rate financing to young, low net worth farmers for financing capital purchases (primarily used for farmland purchases). Lenders receive federally tax exempt bond income	To help Illinois livestock producers access capital needed to enter, upgrade, expand or improve their livestock business.  85% guarantee reduces lenders' risk	To consolidate and restructure existing debt to increase working capital and to improve overall financial structure.  85% guarantee reduces lenders' risk	To enhance the opportunities for Illinois farmers to participate in the further processing of their agricultural commodities.  85% guarantee reduces lenders' risk	To help young farmers finance capital purchases with favorable terms.  85% guarantee reduces lenders' risk	To promote value-added processing of farm commodities and the production of commodities not commonly produced in Illinois.  85% guarantee reduces lenders' risk
<b>ELIGIBILITY</b>	Illinois resident with a net worth of <\$250,000. Cannot already own a significant amount of farmland. Must have access to adequate working capital, farm equipment or livestock for project	Illinois resident, principal operator and materially involved in a farm operation Debt to asset ratio < 70% unless market and production risks have been limited. collateral and cash flow must be adequate	Illinois resident, principal operator and materially involved in a farm operation and have adequate cash flow and collateral  Debt to asset ratio of 40% -65%	Illinois resident, principal operator and materially involved in a farm operation and have adequate cash flow and collateral	Illinois resident, principal operator and materially involved in a farm operation and have adequate cash flow and collateral  Debt to asset ratio <70%	Illinois resident, Project must locate in Illinois adequate cash flow and collateral. Appropriate experience in the proposed venture
<b>LOAN AMOUNT</b>	\$250,000 maximum	\$1,000,000 maximum	\$500,000 maximum	\$100,000 maximum	\$500,000 maximum	\$1,000,000 maximum
<b>TERM</b>	Negotiable	Up to 15 years	Up to 30 years	Up to 10 years	Up to 15 years	Up to 15 years
<b>RATE</b>	Negotiable, by definition must be below market	Negotiable, must be below the rate the borrower would pay without the guarantee	Negotiable, must be below the rate the borrower would pay without the guarantee	Negotiable, must be below the rate the borrower would pay without the guarantee	Negotiable, must be below the rate the borrower would pay without the guarantee	Negotiable, must be below the rate the borrower would pay without the guarantee
<b>FEES</b>	\$100 application fee 1.5% loan closing fee	\$300 application fee 1% closing fee	\$300 application fee 3/4% closing fee	\$300 application fee 1% closing fee	\$300 application fee 1% closing fee	\$300 application fee 3/4% closing fee
<b>JOB CRITERIA</b>	None	None	None	None	None	None
<b>OTHER REQUIREMENTS</b>	Applicant must be the sole owner and principal user of the project	All programs involve local lenders	All programs involve local lenders	All programs involve local lenders	All programs involve local lenders	All programs involve local lenders
<b>WEBSITE</b>	<a href="http://www.state.il.us/ifda/">www.state.il.us/ifda/</a>	<a href="http://www.state.il.us/ifda/">www.state.il.us/ifda/</a>	<a href="http://www.state.il.us/ifda/">www.state.il.us/ifda/</a>	<a href="http://www.state.il.us/ifda/">www.state.il.us/ifda/</a>	<a href="http://www.state.il.us/ifda/">www.state.il.us/ifda/</a>	<a href="http://www.state.il.us/ifda/">www.state.il.us/ifda/</a>

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<b>PROGRAM</b>	<b>Prairie State 2000 Employer Training Assistance Program ETAP</b>	<b>Illinois Ventures for Community Actions (IVCA) Community Services Block Grant Loan Program</b>
<b>PURPOSE</b>	Provides financial assistance to Illinois manufacturing companies who must retrain their existing employees in new technologies or improve their current quality or productivity systems in order to remain competitive	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>	Small to medium-sized manufacturing company located in the State of Illinois with no more than \$100 million in sales and less than 20% pre-tax income and currently seeking training for incumbent workers	For-profit entities that meet SBA size guidelines Financial Institutions are not eligible.
<b>LOAN / GRANT AMOUNT</b>	Up to 50% of company's total training cost (max. \$1500 per person).	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 REQUIRE- MENTS</b>	Applicant must be operating at a loss, but have a strategic plan to move toward profitability with training as an important part of that plan; reinvesting profits to change products and processes to meet customer demands; developing new products to expand markets; and operating in an environment that demands ISO or QS certification in order to remain competitive	
<b>WEBSITE</b>	<a href="http://www.state.il.us/ps2000/">www.state.il.us/ps2000/</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
<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>

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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>

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