

What is the



Small Business Loan Program?

- The objective of the small business loan program is to spur economic growth in Chicago's neighborhoods by encouraging eligible financial institutions to make loans available to small businesses.
- To create an incentive for banks to assist small neighborhood businesses, the Treasurer's Office deposits city funds in collateralized certificates of deposit to be used for community reinvestment.
- Small short-term loans or lines of credit are offered by banks to businesses that may not otherwise be able to secure such loans.
- The Small Business Loan Program can help participating banks improve their Community Reinvestment Act ratings.
- The program is a "win-win" scenario for small business owners, bankers and the City of Chicago.



For Further Information

(312) 744-3365

(312) 744-6920 (TTY)

Those interested in the Small Business Loan Program should call the Office of the City Treasurer, and ask to speak to the Economic Development Division.

Small Business Loan Program

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Letter from the Treasurer

Dear Friends,

Small businesses are the greatest source of new employment in Chicago and it is important that they remain financially sound. A small loan is often enough capital to support a company through difficult times, and can help retain jobs.

The Small Business Loan Program provides the incentive for Chicago banks to make loans to support businesses without directly putting taxpayer dollars at risk. I encourage you to utilize this and other programs offered through my office. As we work together to strengthen Chicago's vibrant and diverse business community, I will continue to develop programs to promote awareness and knowledge.

Sincerely,

Stephanie D. Neely
Treasurer, City of Chicago

Small Business Loan Program



The Small Business Loan Program ("SBLP") has two programs in one, each one offering assistance to a separate business category.

SMALL BUSINESS CAPITAL ASSISTANCE PROGRAM

Three types of businesses are eligible for the Small Business Capital Assistance Program:

- Emerging Businesses—In operation less than three years with insufficient collateral to qualify for a standard bank loan.
- Minority/Women-Owned Businesses—Minimum 51 percent minority or woman ownership, and in operation for at least three years.
- Standard Small Businesses—In operation for at least three years and a net worth less than \$6 million (and after-tax profit of less than \$2 million during the preceding two years).
- Business must also meet the following additional requirements:
 1. Located in the City of Chicago
 2. Current on all City debt (e.g., taxes, utilities, fines, etc.)

CONTRACTORS ASSISTANCE PROGRAM ("CAP")

- Offers financial assistance to support small contracting firms, which have historically struggled to receive loans.
- Eligible Contractors must meet the following requirements:
 1. Located in the City of Chicago
 2. Less than \$2 million in net annual sales over preceding two year period
 3. Current on all City debt (e.g., taxes, utilities, fines, etc.)
- CAP is *not* limited to contractors on City of Chicago projects.

HOW DOES THE SBLP WORK?

- Each time a loan is made to a qualifying business by a participating City Municipal Depository Bank, the Treasurer's Office deposits city funds at the following ratio: \$2 deposited for every \$1 loaned.
- Loans up to \$250,000 may be issued to borrowers.
- Loans and lines of credit are awarded like any other bank loan to businesses meeting the banks' underwriting criteria. City Treasurer, Stephanie D. Neely, does not underwrite or collateralize loans and plays no part in any agreement between the financial institution and the borrowing business.