

Capital Access Program

The Capital Access Program (CAP) is designed to encourage lending institutions to make loans to businesses that do not qualify for conventional financing. CAP is based on a portfolio insurance concept where the borrower and the Department of Commerce and Economic Opportunity each contribute a percentage of the loan amount into a reserve fund located at the lender's bank. This reserve fund enables the financial institution to make loans beyond its conventional risk threshold and is available to draw upon to recover losses on loans made under the program.

A CAP loan is a private market transaction between the lender and the borrower with all terms, fees, conditions, rates, collateral, etc., being determined by the lending bank. The borrower's non-refundable contribution to the reserve fund must be between 3 and 7 percent of the total loan amount. DCEO will provide a matching contribution. A 133 percent match to the borrower's contribution will be provided on the first \$2,000,000 in CAP loans enrolled at the lender bank. A higher match will be provided to minority/woman/disabled owned businesses (150 percent) and businesses located in a federally designated Empowerment Zone or Enterprise Community (200 percent). Loan proceeds cannot be used for debt refinancing or for financing passive real estate ownership.

Eligibility

The business must be for-profit, located in Illinois and employ 500 employees or less. The borrower cannot be in the business of manufacturing or selling firearms at wholesale or retail or in the business of manufacturing or selling tobacco products, liquor or sexually explicit materials at wholesale.

Contact Information

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