

IFA Industrial Participation Loan Program

The Illinois Finance Authority assists Illinois businesses that create or retain jobs by offering a loan participation program in conjunction with their banks. Through this program the Authority will purchase up to the lesser of \$1,000,000, or a 50 percent participation in the loan, directly from the borrower's bank. Details are available from your IFA Funding Manager.

Benefits

- Participation loans will finance the purchase of land or buildings, construction or renovation of buildings and acquisition of machinery and equipment.
- Interest rates are 200 basis points (i.e., 2.0 percent) below the rate charged to the borrower by the bank, thereby resulting in a lower blended interest rate on the loan. Participating banks may retain up to 100 basis points as a servicing fee. A minimum of 100 basis points must be passed on to the borrower.
- IFA will share in all collateral prorated on a first mortgage position (pari passu) with the bank
- Long-term maturities, with a maximum term of 10 years
- Single application process

Type of Financing

Participating banks will originate, underwrite and service all loans. IFA staff will review the bank's analysis to assure it meets IFA standards. If the maturity exceeds 10 years, IFA requires a balloon payment at the end of 10 years.

Eligibility

Financing is available to businesses in Illinois that create new or retain existing jobs. Funds from the participation purchased by IFA must be used primarily for the acquisition of fixed assets.

Fee

There are no IFA fees. Participating banks may retain a servicing fee; a minimum of 100 basis points are passed on to the borrower.

For more information, contact a funding manager at your local IFA office or contact the EDC at (309) 661-6332.