

State Treasurer's Economic Program (STEP)

STEP was created to encourage and promote economic development and expansion of businesses in Illinois. Every STEP project is approved at the exclusive discretion of the Treasurer's Office. However, loans are not made directly to the borrower. The financial institution that receives the discounted deposit determines the credit worthiness of the borrower. STEP provides Illinois companies with access to affordable capital to expand their operations and retain or create jobs in the state.

For each permanent full-time job* that is created or retained, the Treasurer can deposit up to \$25,000 at below market rates into the borrower's financial institution. That institution will then lend the money at below prevailing interest rates to the borrower.

*Two part-time jobs equal one full-time job.

Eligible projects should meet the following general guidelines:

- Existing Illinois for-profit business
- The project must create and/or retain a minimum of three Illinois jobs.
- The borrower must be able to demonstrate that the State will gain long-term benefits from the project.
- The borrower must have the financial ability to carry out the project.

Eligible use of funds:

- Real estate acquisition
- New construction or remodeling
- Machinery or equipment

Linked-deposit loan amounts and terms:

- Maximum loan amount: \$10 million
- Two-year loan term with possible three-year renewal
- \$25,000 for each job created and/or retained
- Financial institutions are capped at a 3 percent mark-up on the state's deposit rate. For the current state deposit rate, go to www.state.il.us/treas/. Click on Daily Rates.

For more information, call (312) 814-1788 (Chicago) or (217) 557-6436 (Springfield), or log on to www.state.il.us/treas/programs/program_page.htm.