



Capital Support Program (CSP) - Loans for small and new business that do not qualify under conventional lending policies. The CSP uses small amounts of public resources to generate private bank financing, providing small Illinois businesses access to capital that might not otherwise be available.

Product	Capital Support Program
Eligible borrowers	Small Businesses – maximum borrower size should not exceed 500 employees. In practice, small businesses are typically much smaller than 500 employees. Corporations, partnerships, and sole proprietorships are eligible, including non-profits and cooperatives.
Description	<p>DCEO will establish a savings account and/or CD at lender's bank, (typically 15%-20% of initial term loan face amount), to supplement Borrower's loan collateral pledged to the Lender. (The Lender will pay interest at its normal rates for deposits of like amount and tenor.)</p> <p>Assuming the Borrower is current in its loan repayments, the amount of DCEO's deposit will be readjusted, on each annual anniversary, so that it reflects the same percentage of the Borrower's loan that existed at loan inception. The reduction in deposit principal and interest earned during the year, will be forwarded to DCEO.</p>
Type of Loans	Term loan only, Max loan tenor, 5 years (unless part of much larger project)
Loan Size	Up to \$1,000,000
	The bank has flexibility to recast, extend or refinance the loan to address the needs of the business owner
Loan Loss	In the event of liquidation, the Lender will exert its best efforts to maximize its proceeds from the process, and, should a shortfall exist, the Lender will have access the in the CSP deposit account, as "cash collateral", as an offset to funds still owned to it after liquidation. Fee Formula "Incentive" may be instituted to encourage Lender to maximize proceeds from liquidation.