



PLP Support of Small Business Administration SBA-7a Activity - This new product from DCEO is designed to work in conjunction with guarantees from the Small Business Administration to support small, for profit businesses, operating in Illinois, focusing on projects that create/retain substantial employment or modernizations that improve competitiveness.

Structure	Basic structure similar to the Standard PLP
Eligible borrowers	Businesses – fewer than 750 full-time employees.
Interest Rate	DCEO's interest rate will be below market
Description	<p>Can be used for a number of business activities, such as purchase and installation of machinery and equipment, working capital, purchase of land, construction or renovation of buildings.</p> <p><i>DCEO's position as Creditor is subordinated to that of the Lender's and that of the Small Business Administration's, ("SBA")</i></p> <p>Though Lender will be extending one single Loan, that Loan must be documented with two separate Promissory Notes - - one in the amount of the Lender's portion, and the other reflecting 100% of DCEO's Participation. All Loan payments will be shared pari-passu, unless Borrower is in default and being liquidated. The Notes will be cross-defaulting.</p>
Maximum Support	20% of the loan
Loan Size	No less than \$10,000 or more than \$2 million
Lender	<p>Lender will be permitted to secure SBA-7A Guarantee support on the Note reflecting its own exposure in the overall financing.</p> <p>DCEO's credit exposure will be subordinated to both the Lender's and SBA's respective positions.</p> <p>No DCEO support is permitted for the lender's unguaranteed portion under the SBA-7A Guarantee</p>
Loan Loss	DCEO Funds are subordinated-bank loss is mitigated
Term	Generally match lenders term but, no longer than 7 years
Application	Limited PLP documentation is required from the borrower