



Participation Loan Program

Illinois' Participation Loan Program (PLP) has been re-launched to make it more attractive to lending institutions as part of **Advantage Illinois**. There are now four new product lines to support businesses with projects that create or retain jobs and/or modernize their business to improve competitiveness. DCEO seeks to encourage new bank lending to small business, by purchasing portions of bank term loans, and RLOCs, applying below market interest rates to DCEO's portion, and subordinating its exposure that those of the lending entities. For lenders, this is an acceptable method of addressing a lack of equity or collateral resources by the borrower; and a way for the borrower to improve its ability to meet its debt service need.

PRODUCT LINES

1. Standard Participation Loan Program (PLP)
2. Minority/Women/Disabled/Veteran-Owned Businesses (MWDV PLP)
3. Revolving Line of Credit (RLOC PLP)
4. SBA Supported Activity

ELIGIBLE BORROWERS

- Viable small/middle market businesses
- For-profit businesses including corporations, joint ventures, partnerships, sole proprietorships, or others authorized to conduct business in Illinois
- Business size limited to 750 employees or less worldwide

HOW THE LOANS WORK

- After cursory review of business plan, DCEO facilitates a meeting with the prospective borrower's bank.
- If the bank is unwilling to support project on its own, DCEO approximates the amount of **Advantage Illinois** participation.
- If new terms are acceptable to the bank, bank issues a loan commitment to the business contingent on DCEO and **Advantage Illinois** support.

APPLICATION

- For businesses: contact a participating bank, which are listed at the DCEO-**Advantage Illinois** web site.
- For banks: Interested banks can enroll in the program by submitting a master agreement to DCEO, available at the DCEO-**Advantage Illinois** web site.

ABOUT ADVANTAGE ILLINOIS

The Illinois Department of Commerce and Economic Opportunity is administering **Advantage Illinois**, made possible by the federally-funded State Small Business Credit Initiative (SSBCI). **Advantage Illinois** consists of multiple programs to spur institutional lending and one program to leverage venture capital in start-ups and high-growth businesses. Together, the \$78 million allotment from the federal government and the leveraged private investment is expected to generate more than \$800 million in private investment in Illinois' small businesses.



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