

DuPage County Small Business Loan Program

Purpose:

The purpose of the loan fund is to provide funding to entrepreneurs who wish to develop or expand a business within DuPage County and who are willing to create employment opportunities for low-income individuals.

Funding for the program is provided through Community Service Block Grant (CSBG) dollars.

Financing:

- This is a loan program.
- The loan has a fixed rate.
- The interest rate charged is 3% and may not exceed 4 points over the national prime rate.
- The loan may provide for a recalculation of interest at a higher rate in the event the loan recipient fails to meet the program guidelines or otherwise defaults.
- The amount borrowed may not exceed 49% of project costs.
- The term of loan is not to exceed 10 years.

Eligibility:

- To be eligible a business must meet the size guidelines for a small business.
- To be eligible the business must be organized as a for-profit.
- To be eligible the business must be located in DuPage County, Illinois.

Use of Funds:

- Funds may be used to purchase machinery, equipment, inventory, or to provide working capital (money available to meet current obligations).
- Funds may not be used to purchase or improve real property.

Job Creation:

- One job must be created for each \$20,000 or portion thereof borrowed.
- The required hiring must be completed within the first 24 months of the loan. At least 50% percent of the new employees must be hired in the first 12-month period.
- For the purposes of this hiring time frame, the loan is considered consummated on the date the borrower first receives the loan funds.
- The job created must be retained for at least 24 months from the date of hire.
- If the borrower does not comply with the stipulated hiring requirement in the allotted 24-month time period, the loan will be considered in default.

Application Process:

- Application Form
- Business Plan
- Monthly Profit and Loss Statement
- Monthly Cash Flow Statement
- Personal Financial Statement
- Tax Returns

Approval Process:

- DuPage County's Economic Development Department is the first point of contact for the program.
- Applications will be forwarded to the Illinois Department of Commerce and Economic Opportunity (DCEO) for approval
- Illinois Ventures for Community Action (IVCA) will provide underwriting, document preparation, and closing packet preparation services.
- Final loan approval rests with DuPage County.

