

THE
ohio
CAPITAL ACCESS
P R O G R A M

Fact Sheet

- PURPOSE:** Encourages financial institutions to lend to small businesses and non-profits that may not meet conventional underwriting standards, by establishing a unique loan “guarantee” reserve account to recover losses from loans enrolled in the program.
- PARTICIPANTS:** Financial institutions that provide loans to borrowers who are eligible for the program.
- USE OF PROCEEDS:** Use of proceeds may include (working capital) lines of credit, or the purchase or construction of fixed assets such as buildings and equipment. Refinancing of other lenders’ existing loans is also eligible.
- Construction or purchases of residential housing and passive real estate investments are **ineligible** uses of capital access program proceeds.
- ELIGIBILITY:** A Lender must enter into a Capital Access Program Participation Agreement to be eligible to enroll loans in the program.
- An eligible borrower, must be a small business with annual sales of less than \$10 million; the borrower’s principal place of business must be within the state of Ohio.
- TERMS:** Loan terms are determined by the lender.
- LOAN AMOUNTS:** Maximum \$250,000 for working capital; maximum \$500,000 for fixed assets.
- RESERVE ACCOUNT CONTRIBUTIONS:** A program reserve account, in the name of the Director of the Ohio Department of Development, must be established at the participating lender. The following contributions are required for the reserve account:
- Borrower** – 1.5 percent to 3 percent of the principal amount of the capital access loan to be enrolled. (Lender determines percentage)
Lender – Must match the borrower’s contribution. Lender may recover all or part of its contribution from the borrower in any agreed upon manner.
State – An amount equal to 10 percent of the principal amount of the capital access loan to be enrolled.
- FEES:** Normal and customary fees may be charged by the Lender. No additional fees are charged by the State.
- ENROLLMENT:** Lender must submit a Capital Access Program Loan Enrollment form to the Ohio Department of Development, Division of Minority Business Affairs.