

The Ohio Capital Access Program



For more information, contact
the Ohio Department of
Development, Minority Business
Enterprise Division, at
(800) 848-1300 or (614) 466-5700;
Fax: (614) 466-4172

The Ohio Capital Access Program

○ **PURPOSE:** Encourages financial institutions to lend to small businesses and nonprofits 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 The Ohio Capital Access Program.

○ **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 in Ohio; and the borrower must create or retain jobs.

○ **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 Capital Access 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. Borrower can include contribution in the loan.

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. An amount equal to 50 percent of the principal amount of the loan will be contributed on the lender's 1st through 3rd enrollment. An amount equal to 80 percent of the principal amount of the loan will be contributed for all state certified minority businesses enrolled (effective 10/15/09).

○ **FEES:** Normal and customary fees may be charged by the lender. No additional fees are charged by the state.

○ **ENROLLMENT:** Lender must submit Capital Access Program Loan Enrollment forms to the Ohio Department of Development, Minority Business Enterprise Division.

Ohio

Ted Strickland, Governor
Lee Fisher, Lt. Governor

**Department of
Development**

Lisa Patt-McDaniel, Interim Director
Ohio Department of Development

Visit our Web site at:
www.minority.development.ohio.gov

