

**OHIO CAPITAL ACCESS PROGRAM
Notice to Borrower**

Ted Strickland, Governor
Lee Fisher, Lt. Governor
Lisa Patt-McDaniel, Director
Ohio Department of Development



**Department of
Development**

Minority Business Enterprise Division

This notice is provided to Borrowers who may receive loans from financial institutions participating in the Ohio Capital Access Program ("Program") offered by the Ohio Department of Development.

The purpose of the Program is to assist a Lender in making loans to Borrowers that otherwise might not qualify for such loans. The Program utilizes a special Program Reserve Account to assist the Lender in covering losses from a portfolio of loans that the Lender makes under the Program. The Borrower pays a non-refundable fee to the Program Reserve Account which the Lender matches, and the Ohio Department of Development then contributes ten percent of the loan amount to the Program Reserve Account (fifty percent is contributed by the Department if it is the Lender's first through third Loan Enrollment) and eighty percent is contributed by the Department if the loan is to a minority business certified by the State of Ohio.

Because the Program is designed to provide access to financing that might not otherwise be available, borrowing under the Program is likely to be more expensive for the Borrower than would be the case with a conventional loan. Not only does the Borrower make a payment to the Program Reserve Account, but the Borrower can expect that the Lender may, in some manner, recover from the Borrower the cost of the Lender's payment into the Program Reserve Account.

While the Program is intended to assist a Lender in taking more risk than normal, loans made under the Program are private transactions between Lender and Borrower, and the Lender bears the risk of the loan. The Ohio Department of Development is not a party to the loan and plays no role in the Lender's decision regarding whether or not to make the loan, or in the setting of the interest rate, fees, duration, or any other terms or conditions of the loan. The Lender's rights and remedies are delineated in the loan agreement between itself and the Borrower and in laws applicable to any financing, and the Ohio Department of Development is not involved in any decision by the Lender with respect to enforcing the Lender's rights under the loan agreement. However, the Ohio Department of Development has rights of subrogation. In the event a claim is made by the Lender on a loan enrolled in the Capital Access Program, the Ohio Department of Development may exercise its rights to continue collection efforts.

Borrower, by its signature below, acknowledges that it has read this notice and understands it; and here by waives any right, claim or interest to any and all funds paid or credited to the Program Reserve Account.

Name of Borrower _____

Signature _____ Date _____

Printed Name and Title _____

Attention Lenders - Mail form to:

Manager, Office of Minority Financial Incentives, Ohio Department of Development Minority Business Enterprise Division
77 S. High Street, P.O. Box 1001, Columbus, Ohio 43216-1001 or fax form to: (614) 466-4172
For information call 800-848-1300 ext. 47708