

For Immediate Release
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Ohio Receives Funding to Leverage Private Lending to Small Businesses

COLUMBUS – Today, the Ohio Department of Development announced the Ohio State Small Business Credit Initiative (SSBCI), a program that will access funding of more than \$55 million to increase private lending and the amount of credit available to Ohio's small businesses.

"Through Ohio's SSBCI, we are helping to fill a major challenge faced by Ohio small businesses that seek capital to expand and create jobs," said Christiane Schmenk, Director of the Ohio Department of Development. "Ohio's small businesses are the backbone of our economy and providing them the tools they need to be successful will create a healthier Ohio economy."

The State Small Business Credit Initiative (SSBCI) was created by the Small Business Jobs Act of 2010, which provided \$1.5 billion to strengthen state programs that support lending to small businesses. Under the SSBCI, states were offered the opportunity to apply for federal funds for state-run programs that partner with private lenders to increase the amount of credit available to small businesses. The Ohio Department of Development applied for and received an allocation totaling \$55,138,373 from the U.S. Department of Treasury.

The Ohio Department of Development's Business Services Division will administer three financing programs utilizing SSBCI funds:

- **Collateral Enhancement Program (CEP)** – is a new \$33.1 million program that provides banks with cash collateral deposits to use as additional collateral for loans made to eligible small businesses. Under the CEP, the Ohio Department of Development will open an interest bearing account with a lender and deposit up to 30 percent of the loan amount where there is a collateral value shortfall as determined by the lender and the Ohio Department of Development (up to 50 percent of the loan amount for minority-owned businesses or businesses located in a Historically Underutilized Business Zone).
- **Ohio Capital Access Program (OCAP)** – supports small business lending by establishing a "loan guarantee" reserve pool at a lending institution that participates in the OCAP. This program has been expanded (increased to \$5 million) and can provide financing to for-profit and nonprofit businesses that may be experiencing some difficulty obtaining business loans using conventional underwriting standards. The state, the lender, and the borrower each pay a small contribution fee into the pool. The reserve pool is available to the participating lender for recovery of any losses on any loan they have enrolled in the OCAP.
- **Targeted Investment Program (TIP)** – is a new \$15 million venture that supports the growth and expansion of targeted small businesses within Ohio's manufacturing, production, and logistics value chains. TIP offers debt instruments tailored to the specific needs of the company at or below market interest rates.

To learn more about the program guidelines and participating lenders, please visit <http://ssbci.development.ohio.gov> or contact OCAP@development.ohio.gov or (614) 466-5700.

*The **Office of Business Assistance**, located within the Ohio Department of Development's Business Services Division, provides resources to create, grow, and develop Ohio's small- and minority-owned business community,*

as well as provide export assistance to Ohio companies.

*Working with our partners across business, state and local governments, academia, and the nonprofit sector, the **Ohio Department of Development** works to attract, create, grow, and retain businesses through competitive incentives and targeted investments. Engaged every day in marketing, innovating, investing, and collaborating, the **Ohio Department of Development** works to accelerate and support the teamwork that is absolutely necessary for success by providing financial, informational, and technical assistance to those making an investment in Ohio's future.*

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