



Participation Loan Program

Illinois' Participation Loan Program (PLP) has been re-launched to make it more attractive to lending institutions as part of **Advantage Illinois**. PLP has four new product lines to support businesses with projects that create or retain jobs and/or modernize their business to improve competitiveness.

The Illinois Department of Commerce seeks to encourage new bank lending to small business, by purchasing portions of bank term loans, and RLOCs, applying below market interest rates to the state's portion, and subordinating its exposure than those of the lending entities. For lenders, this is an acceptable method of addressing a lack of equity or collateral resources by the borrower; and a way for the borrower to improve its ability to meet its debt service need.

PRODUCT LINES

1. Standard Participation Loan Program (PLP)
2. Minority/Women/Disabled/Veteran-Owned Businesses (MWDV PLP)
3. Revolving Line of Credit (RLOC PLP)
4. SBA Supported Activity

APPLICATION

- **For businesses:** contact a participating bank, listed on the Advantage Illinois web site.
- **For banks:** Interested banks can enroll in the program by submitting a master agreement to the Department of Commerce, available on the Advantage Illinois web site.

ELIGIBLE BORROWERS

- Viable small/middle market businesses
- For-profit businesses including corporations, joint ventures, partnerships, sole proprietorships, or others authorized to conduct business in Illinois
- Business size limited to 750 employees or less worldwide

HOW ADVANTAGE ILLINOIS LOANS WORK

- After cursory review of business plan, the Department facilitates a meeting with the prospective borrower's bank.
- If the bank is unwilling to support project on its own, the Department approximates the amount of Advantage Illinois participation.
- If new terms are acceptable to the bank, bank issues a loan commitment to the business contingent on state and Advantage Illinois support.

ABOUT THE PROGRAM

The Illinois Department of Commerce and Economic Opportunity administers Advantage Illinois, made possible by the federally-funded State Small Business Credit Initiative (SSBCI). Advantage Illinois consists of programs to spur institutional lending. Together, the \$78 million allotment from the federal government and the leveraged private investment is expected to generate more than \$800 million in private investment in Illinois' small businesses.

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