

CAPITAL ACCESS PROGRAM

The Capital Access Program (CAP) is one of the Michigan Economic Development Corporation's (MEDC)SM innovative programs available to assist businesses with capital needs. The CAP uses small amounts of public resources to generate private bank financing, providing small Michigan businesses access to capital that might not otherwise be available.

Under the CAP, more than 11,211 loans have been provided to Michigan businesses over the past 22 years. The \$24.3 million in public/state/MEDC/MSF resources committed to the program supported approximately \$628.7 million in bank lending—a private/public ratio of 27 to one.

After a three year absence, the CAP was re-established in April of 2006 to continue assisting small businesses with their financing needs. The program can be used to finance most types of business (with the exceptions of construction, renovation, purchase of residential or rental housing, or rental property). The only restriction on the loan size or term is a maximum loan amount of \$5 million.

Participating banks throughout Michigan offer CAP loans directly to companies that need credit enhancement. Similar to a loan loss reserve fund, the bank, the company and the MEDC pay a small premium into a reserve that makes it possible for the company to receive fixed asset and working capital financing.

DIRECT BANK-BUSINESS TRANSACTION

- CAP loans are private transactions between banks and borrowers
- MEDC plays no role in lending decisions nor in setting loan terms & conditions
- The bank assumes the risk of the loan

FLEXIBLE, NON-BUREAUCRATIC

- CAP loans can be long- or short-term, term loans or lines of credit
- The bank has the flexibility to recast, extend or refinance the loan to address the needs of the business owner

ELIGIBLE BORROWERS

- CAP loans are available to most businesses located and legally authorized to do business in Michigan that satisfy the bank's criteria
- Small businesses—less than 250 employees OR \$6 million in gross annual sales
- Must be for profit institutions

PARTICIPATING FINANCIAL INSTITUTIONS

To date, 54 financial institutions in Michigan have signed on to participate. More are being added as the MEDC continues to market the program statewide. (Participants are shown on the following page.)

- Ann Arbor Commerce Bank
- Bank of Auburn Hills
- Bank of Lenawee
- Bank of Michigan
- Byron Bank
- Capitol National Bank
- Central Macomb Community Credit Union
- Century Bank and Trust
- Chelsea State Bank
- Chemical Bank
- ChoiceOne Bank
- Christian Financial Credit Union
- Citizens National Bank
- Citizens State Bank
- Comerica Bank
- Commercial Bank
- County National Bank
- Dart Bank
- Detroit Edison Credit Union
- Fifth Third Bank
- First National Bank in Howell
- First State Bank
- Grand Haven Bank
- The Huntington National Bank
- Huron Community Bank
- Independent Bank
- Ionia County National Bank
- Irwin Union Bank & Trust
- Isabella Bank & Trust
- Kent Commerce Bank
- Keystone Community Bank
- Lake-Osceola State Bank
- Lapeer County Bank and Trust
- LaSalle Bank Midwest
- Macomb Community Bank
- Macatawa Bank
- Main Street Bank
- Mercantile Bank of Michigan
- MidWest Financial Credit Union
- Muskegon Commerce Bank
- National City Bank
- NuUnion Credit Union
- Option 1 Credit Union
- Paragon Bank & Trust
- Peoples State Bank
- Portage Commerce Bank
- Southern Michigan Bank & Trust
- Sturgis Bank & Trust Company
- United Bank & Trust
- United Bank & Trust-Washtenaw
- University Bank
- Upper Peninsula State Bank
- West Michigan Community Bank
- West Shore Bank

For further information, contact the MEDC Customer Assistance Center at 517.373.9808 or CAP@michigan.org.