

## Capital Access Program (CAP)

<b>Program Purpose:</b>	To encourage loans from private lending institutions to businesses, particularly small and medium sized businesses to foster economic development.
<b>How it Works:</b>	The MN Department of Employment and Economic Development (DEED) has partnered with approved banks, credit unions, community development financial institutions (CDFI's) and other lenders to increase debt financing activity. The program provides portfolio insurance based on a separate loan loss reserve fund held by the lender.
<b>Eligible Applicants:</b>	For-profit Minnesota businesses that have up to 500 employees company-wide.
<b>Target Guidelines:</b>	The CAP program is designed to encourage banks, credit unions, and CDFI's operating in Minnesota to make loans to a business that falls outside the lender's normal underwriting standards.
<b>Eligible Projects:</b>	Start-up costs, working capital, business acquisitions and expansions, franchise financing, equipment loans, inventory financing, construction, and commercial non-passive real estate acquisitions. Projects that include passive real estate are only allowed on a limited basis as determined by U.S. Department of the Treasury guidelines. Financing of existing debt is not permitted.
<b>Maximum Available:</b>	The maximum loan amount that may be enrolled is \$5 million.
<b>Other Funds Required:</b>	Lender and borrower contribute, in equal parts, a combined 3-7% of the loan amount to the reserve fund. DEED matches the combined contribution amount.
<b>Interest Rate/Terms:</b>	Each qualified program lender has the authority to determine the specific interest rate, terms, and collateral requirements.
<b>Application Process:</b>	Participating lenders accept applications on a rolling basis. Lenders use their own underwriting standards and loan processes. DEED provides its contribution when a lender notifies that state that it has approved a loan and deposited funds into its reserve account.
<b>Website:</b>	<a href="http://www.positivelyminnesota.com/ssbcj">www.positivelyminnesota.com/ssbcj</a>
<b>Contact:</b>	Bart Bevins, Capital Access Program MN Department of Employment and Economic Development (DEED) Phone: 651-259-7424 or 800-657-3858 E-Mail: Bart.Bevins@state.mn.us

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