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Warren Ribley, Director
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State Economic Director Announces $5 Million for Micro Lending

Community Development Fund to Help Small Business; Program Expected to Create or Retain 800 Jobs

CHICAGO- Department of Commerce and Economic Opportunity (DCEO) Director Warren Ribley visited ACCION Chicago today to highlight a new financing tool that will give start-up and existing small businesses the financial bridge they need to succeed coming out of recession. A total of $5 million is being made available through the Community Development Fund, a component of Governor Pat Quinn's Neighborhood Recovery Initiative launched in October to help revitalize urban communities.

More than 300 loans will likely be made to start-up and existing small businesses, which will lead to more than 800 jobs being created or retained over the next two years.

“Small businesses form the backbone of our economy and are responsible for creating two-thirds of all new jobs,” said Director Ribley. “That is why it is vital that we work with local community lenders in programs like the Community Development Fund to identify and support start-up and struggling small businesses that are trying to succeed in a very tough economic environment.”

The Fund is a revolving loan program funded through the federal "IKE" Disaster Recovery program and from DCEO's revolving loan portfolio under the High Growth and Emerging Small Business Loan Program. Microloans through the Fund can be utilized for a variety of start-up and operational costs. Newly formed business can apply for loans up to $50,000, while the limit for established businesses is $75,000. Loans originated will have a maximum fixed interest rate of 10 percent up to five years. The program will begin immediately and will run until funds are exhausted. Interested small businesses should apply directly to one of the lenders.
Based largely on feedback from the Governor’s Anti-Violence Commission, the Governor's Neighborhood Recovery initiative’s goal of revitalizing vulnerable urban communities is being accomplished in a number of ways: by engaging young people; offering job training for adults and

small businesses; and by providing funding for small businesses.

“We are extremely happy to partner with the state of Illinois to offer this program. It will build our capacity to serve small businesses now and in the coming years. And while micro-businesses will be the direct beneficiaries, the benefit to communities will ripple out in terms of economic growth and job creation,” said Jonathan Brereton, Chief Executive and Lending Officer of ACCION Chicago.

“Chicago Community Ventures is excited to participate in Community Loan Fund program because it is another source of much needed capital for small businesses, capital our businesses need to survive and thrive in these tough economic times,” Anita Hollins, president of Chicago Community Ventures, another one of the lenders.

"It is always a privilege to partner in any way with Department of Commerce and Economic Opportunity,” said Carol Dougal, co-president of Women Business Development Corporation, the third lender in the program. “That Department was the first significant government funder of Women's Business Development Corp, some 25 years ago. And we have been continuously supported since that time by DCEO.”

DCEO has spent the past year developing ways to better support small business, including adding more services and sector specialties at Illinois Small Business Development Centers; performing an academic study of the retail sector coming out of the recession, and the impact of buy local activities statewide; and hosting focus groups of small business owners and economic development professionals on the best use of the state's small business resources.

Earlier this year, Governor Quinn proposed and signed into law the Illinois Small Business Job Creation Tax Credit. The $2,500 tax credit is available to businesses with 50 or fewer employees (including all locations) that create new jobs between July 1, 2010 and June 30, 2011.

Director Ribley was joined by ACCION, Chicago Community Ventures, and Women Business Development Corporation, the three Chicago-area lenders who will oversee the $5 million dollar Community Development Fund.

For more information on the state’s small business resources, visit www.ildceo.net.

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