**Section 545.340 Development Corporations**

a) Purpose – Per Section 3510(a) of the Act, *the Department may provide, subject to available appropriated funds, financial assistance to the State's mature, small, or medium-sized businesses through development corporations that assume a responsibility for the administration of the loan projects for the modernization and installation of advanced technologies.*

b) Eligible Applicants – As specified in Section 3510(b) of the Act, *development credit corporations, financial intermediaries, or other entities whose purpose includes financing, promoting, or encouraging commercialization, adoption, or implementation of advanced technologies, processes, or products, as determined by the Department, may participate in this program.*

c) Responsibilities of Development Corporations – Per Section 3510(d) of the Act, *the Department is authorized to rely upon, and may provide for in the execution of an agreement, the participating lender's or investor's review on behalf of the State and approval of the credit, collateral security, and documentation; determination of eligibility, economic results expected, and the prospects for viability and repayment; the collection and use of fees, premiums, or charges; the organization, servicing, and disbursement of financial assistance; and such other purposes and activities as the Department, in its sole discretion, shall determine to be reasonable, appropriate, and consistent with the purposes of* the *Act.*

d) Forms of Financial Assistance – *Development corporation financial assistance may be in the form of direct loans, grants, or purchases of qualified security investments or financial assistance* [20 ILCS 700/3510(b)].

e) Limitations – Financial assistance authorized under this Section shall not exceed 25% of the amount of new, unexpended, actual or anticipated capitalization (i.e., grants or investments, not loans) to be used by the development corporation for:

1) *loans or investments to firms to improve the businesses' production systems and work organization that will preserve and create private sector jobs by increasing the firms' long-term competitive viability; and*

2) *the planning and operation of the development corporation as approved by the Department through its agreement with the development corporation.* Funds for planning and operation shall not exceed 10% of the financial assistance provided by the Department or the amount of new, actual, or anticipated capitalization. [20 ILCS 700/3510(c)]