



## **CAPITAL ACCESS PROGRAM**

The Capital Access Program (CAP), administered for the Michigan Strategic Fund (MSF) by the Michigan Economic Development Corporation (MEDC), is an innovative program 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. The program can be used to finance most types of business (with the exceptions of the construction or purchase of residential housing; development of a casino, stadium or arena; or passive real estate). The maximum loan amount which may be enrolled in CAP is \$5 million. Loans may not be used to refinance existing debt, must be for a new extension of credit and may not be used to finance the unguaranteed portion of a SBA-guaranteed loan.

Participating banks throughout Michigan have offered CAP loans directly to companies that need credit enhancement. Similar to a loan loss reserve fund, the bank, the company and the MSF 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
- Neither the MEDC nor the MSF play any role in lending decisions nor in setting non-program-related loan terms and 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 as determined by the lender.
- 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
- Eligible businesses must have no more than 500 employees
- Must be for profit institutions

### **PARTICIPATING FINANCIAL INSTITUTIONS**

To date, 16 financial institutions in Michigan participate in CAP (participants are listed below.) More are being added as the MEDC continues to market the program statewide.

Century Bank & Trust  
Chemical Bank  
Commercial Bank  
Hillsdale County National Bank  
Horizon Bank  
Huntington National Bank  
Independent Bank  
Isabella Bank & Trust  
Lake-Osceola State Bank  
Option 1 Credit Union  
Shelby State Bank  
Sidney State Bank  
Southern Michigan Bank & Trust  
Sturgis Bank & Trust  
United Bank & Trust  
Upper Peninsula State Bank  
West Shore Bank

### **CONTACT**

For further information, contact the MEDC customer contact center at 888.522.0103 or [cap@michigan.org](mailto:cap@michigan.org).