

DBE Working Capital Revolving Loan Fund Program



Illinois Department of Transportation

Agenda

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- Pre-Eligibility Requirements
- Application Requirements
- Eligible Expenses
- Process Overview
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- More Info & Supportive Services Assistance
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Program Overview

- Created by Public Act 98-0117
- Administered by the Office of Business & Workforce Diversity's Bureau of Small Business Enterprises (SBE)
 - Loan Selection Committee determines loan awards not SBE
- Low-Interest line of credit
- IL Unified Certification Program DBEs
 - IDOT, City of Chicago, CTA, METRA & Pace

Program Overview

- **Funds used on IDOT contracts only**
 - For awards **AFTER** pre-eligibility has been received
- **Interest rate calculated at Prime Rate + 0.5%**
- **Funds available for 55% of contract award or \$249,000 whichever is less**
 - Amount of contract awarded to the DBE applicant; not the total contract award for the project; unless DBE is prime.

Pre-Eligibility Requirements

- Completed Application
- Must be certified in IL UCP
- 2 yrs experience *participating* on construction or construction-related projects
 - References required
- Loan denials from 2 conventional lenders
 - Denials must be for a loan amount not to exceed 50% greater than the loan amount requested with the Program.



Pre-Eligibility Requirements (con't)

- **No bankruptcy or foreclosure in last 5 years**
- **No current liens**
 - Tax, criminal, restitution orders, judgments or offsets
- **No delinquent payments to State of Illinois**
- **Pre-eligibility decision made within 10 calendar days of receipt of application / approvals valid for 6 months**

Application Requirements

- **Pre-Eligibility Approval Notice**
 - Does not guarantee a loan award
- **Financial Information**
 - 3 yrs past federal income tax returns
 - 3 yrs profit/loss statements
 - 3 yrs of IRA statements
 - Bank account balances for past 90 days
- **Projected Expenses**
- **Proof of Contract Award**
 - submitted to SBE within 5 days of award

Eligible Expenses

- **Loan funds may be eligible for the following uses (applicable to contract award):**
 - Labor costs, salaries, wages
 - Materials
 - Supplies
 - Equipment Rental
 - Insurance
 - Bonding
 - Utility Costs
 - Taxes
 - Permit & Right-of-Entry Fees



Process Overview

- **Pre-Eligibility**
 - Valid for 6 months
- **Proof of contract award to SBE**
- **Application to Loan Selection Committee if awarded contract**
- **Loan Selection Committee reviews eligible applicants within 10 days post-letting** (*could be more depending on award notices*)



Process Overview

- **OBWD will notify DBE applicant of Loan Selection Committee decision**
- **Loan Selection Committee notifies Secretary of Transportation of approved loans**
- **Secretary authorizes funds disbursed to escrow**

Process Overview

- **DBE must set up escrow account as instructed and meet with Fund Control Agent (FCA)**
- **DBE submits individual escrow account loan disbursement requests to FCA for review and verification of eligible use of funds**
- **FCA notifies Escrow Agent to disburse eligible funds to DBE**

Process Overview

- **Fund Control Agent**
 - Reviews Loan Agreement terms & sets up repayment plan
 - Reviews disbursement requests
 - Notifies Escrow Agent of eligible disbursements
 - Provides credit restoration training
 - Meets one-on-one with DBE firms to provide supportive assistance
 - Tracks repayments / notifies IDOT of any defaults

Process Overview

- **Loan Selection Committee**
 - Reviews DBE completed loan applications
 - Makes determination on loan awards based on the following (including but not limited to):
 - Completed applications
 - Availability of funds
 - Assessment of need
 - Total budget of applicant
 - Loan application information
 - DBE participation
 - IDOT Contract Award



Process Overview - Stages

Eligibility

- ***Not specific to a contract***
- File Application
- Notification of Eligibility within 10 calendar days
- Eligibility maintained for 6 months

Award

- ***Specific to an awarded contract***
- DBE requests loan applied to an awarded contract
- Loan Committee reviews application
- Decision provided within 10 calendar days

Administration

- ***For awarded loan***
- Escrow account established
- Fund Control Agent and DBE develop Loan Agreement and repayment plan
- Disbursement of funds for eligible expenses
- Repayment begins when first contract payment made

Deadlines

- **Pre-Eligibility**

- Complete apps must be received 30 days prior to the IDOT Letting for which a loan is being sought
 - (e.g., May 13, 2015 deadline for June 12th Letting)

- **Pre-Eligibility notices sent within 10 days of SBE's receipt of *completed* application**

- Incomplete applications will be ineligible and returned to applicant

- **Proof of Award**

- Must be submitted to SBE within 5 days of contract award notice to be sent to Loan Selection Committee

For More Information...

For more information, downloadable application, FAQ Sheet and Application Checklist please visit:

<http://www.idot.illinois.gov/doing-business/procurements/Industry-Marketplace/dbe-revolving-loan-program/index>



Public Meetings

Please join us and leave your feedback!

[Schedule](#)



Voice Your Opinion

Public meetings are scheduled to discuss our upcoming Multi-Year Program.



The Driving Dead

IDOT is teaming up with movie and television star Michael Rooker to promote safe driving habits.



Zero Fatalities

Safety is our number one priority and we stand committed to reducing the fatalities on Illinois roadways.

[→ Transportation Safety](#)

[→ Studies & Projects](#)

News



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Doing Business

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DBE Working Capital Revolving Loan Program

On July 1, 2013, Public Act 98-0117 took effect in Illinois creating the Disadvantaged Business Enterprise (hereafter "DBE" as defined by 49 CFR Part 26) Working Capital Revolving Fund Loan Program (hereafter "DBE Loan Program," authorized by 20 ILCS 2705/2705-610). The DBE Loan Program will provide for assistance to DBEs that are ready, willing, and able to participate in Agency construction contracts with project financing costs through the availability of low-interest lines of credit.

*This program is subject to annual appropriation by the General Assembly

▾ [Applying for a Loan](#)

Understand Requirements

- [Illinois Law: Public Act 98-0117](#)
- [DBE Revolving Loan Rules](#)
- [DBE Revolving Loan Webinar and Q&A](#)
- [DBE Revolving Loan FAQ Sheet](#)
- [DBE Revolving Loan Presentation](#)

Submit Application

Interested DBE firms will have the opportunity to submit an application

[Governor's Press Releases](#)

[IDOT Press Releases](#)

Supportive Services Assistance

- Management Consultants are available to provide *no-cost* assistance on your loan application (to ensure completeness)

District 1 – 3

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Districts 4 – 9

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Questions?

