



Capital Access for Business (CAB)

FAST FACTS

Benefit:	Loan guaranty program for small businesses that may be unable to obtain traditional bank financing
Use of Proceeds:	Any business purpose, including: <ul style="list-style-type: none">• Working capital• Machinery and equipment• Purchase, construct, expand or upgrade facilities
CI Program:	1 st Loss Loan Guaranty with the CAB Program
Amount:	Credit facilities up to \$500,000
Term/Maturity:	Determined by bank
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ABOUT THE PROGRAM

- CAB enables banks to meet the financing needs of small and entrepreneurial businesses
- CAB provides the bank with first-loss guaranty from 30% to 50%, dependent on the loan amount, not to exceed \$500,000
- Can be coupled with loans or investments from other public or private sector sources
- Completion of a loan application is required for enrollment (one page for borrower & two pages for bank)

ELIGIBILITY

- Any Connecticut business
- Loan proceeds may not be used for the following:
 - Refinance of the existing applicant bank's indebtedness
 - Investment real estate (e.g., less than 51% business owner occupied) mortgages
 - Residential mortgages

TERMS & FEES

- Loan maturity, interest rate and other terms determined by the bank
- Debt service capability is evident based on historical operations or reasonable cash flow projections
- At the time of the closing, the following fees are deposited into the Reserve Fund Account (CI account at the bank). These are one-time, nonrefundable fees.

- Borrower 1.5% to 2.5%
- Bank ¹ 1.5% to 2.5%
- CI (not charged to borrower) 2.5% to 4.5%

BENEFITS TO BORROWER

- Access bank financing that is otherwise unavailable
- Fast and hassle-free: arranged by your banker
- No prepayment penalties

BORROWER’S PROCESS

- Discuss your business’s financing need with your banker
- If your banker is unable to approve your loan request, suggest the CAB Loan Guaranty Program

BENEFITS TO BANKER

- Self-enrollment (no approval needed by CI) for credit facilities up to \$500,000
- Retain or expand existing — or establish new — commercial lending relationship
- CAB loan guaranty ranges from 30% to 50% with two limiting factors – the enrolled loan amount may not exceed \$500,000, and CI’s first loss guaranty exposure may not exceed \$150,000

If applicable, the borrower and lender fees may be waived (through 6/30/21) for:

- *Businesses that are based in Urban/Enterprise Zones or owned by women, minorities, physically disabled persons or veterans*
- *Businesses located in the Urban/Enterprise Zones designated by DECD² include the following:*

<i>Bridgeport</i>	<i>Meriden</i>	<i>Norwich</i>
<i>Bristol</i>	<i>Middletown</i>	<i>Southington</i>
<i>East Hartford</i>	<i>New Britain</i>	<i>Stamford</i>
<i>Groton</i>	<i>New Haven</i>	<i>Waterbury</i>
<i>Hamden</i>	<i>New London</i>	<i>Windham</i>
<i>Hartford</i>	<i>Norwalk</i>	

¹ Bank may pass the cost of its fee to borrower. Fees may be included in the loan amount.

² Source: <http://www.ct.gov/ecd/cwp/view.asp?a=1099&q=249762>