



Illinois Department of Transportation

Office of Business & Workforce Diversity
2300 South Dirksen Parkway / Springfield, Illinois 62764

DBE Working Capital Revolving Loan Fund Program FAQ

What is the DBE Working Capital Revolving Loan Fund Program?

The DBE Working Capital Revolving Loan Fund Program (Program) is a unique low-interest loan program that has been established by the Illinois General Assembly by Public Act 98-0117 (<http://www.ilga.gov/legislation/publicacts/98/PDF/098-0117.pdf>) and signed into law by Governor Pat Quinn on July 30, 2013. Funding of up to \$3,000,000 will be used to provide capital necessary to finance project-specific work, acquire valuable work experience, establish or rebuild credit lines, and foster competition among contractors and subcontractors. The DBE is required to maintain all the decision-making aspects of its business and commercially useful function. Loan disbursements and repayments are facilitated by a Fund Control Agent (FCA) selected by the Department.

Who is eligible to participate?

An applicant must be certified as a DBE and listed in the Illinois Unified Certification Program, <http://apps.dot.illinois.gov/ucpsearch>, and:

- Applicant must demonstrate at least 2 years of experience participating in transportation construction or construction-related projects;
- Applicant must have received loan denials for operating expenses or costs from two (2) or more conventional lenders (e.g., bank or credit union) for a loan amount of not more than 50% greater than the loan amount requested under this program;
- Applicant cannot have had a bankruptcy or foreclosure in the past 5 years;
- Applicant cannot currently have tax liens, criminal liens, restitution orders, judgment liens or offsets;
- Applicant cannot be delinquent in payment of any debt to the State of Illinois.

Where can I find the loan application & list of required documents?

Program applicants who are seeking a loan through this Program can access information by going to <http://www.idot.illinois.gov/doing-business/procurements/Industry-Marketplace/dbe-revolving-loan-program/index> to download a copy of the Program Loan Application and view a full list of required documents.

When will loan applications be accepted?

Loan applications for pre-eligibility will be accepted at any time. For a loan to be considered for an award, the loan application must be received by IDOT at least 30 calendar days prior to that letting. Please see letting schedule <http://www.idot.illinois.gov/doing-business/procurements/construction-services/construction-bulletins/transportation-bulletin/index>.

What is the pre-eligibility process?

The Department will perform a preliminary eligibility determination based upon the submittal of the application and required documentation. Notification of an incomplete application, pre-eligibility, eligibility, or ineligibility will be sent to the applicant within 10 calendar days after receipt of the completed application by the Department. Pre-eligibility approvals are valid for 6 months from the approval date. You do not need to re-apply before each letting.

What is my maximum loan, borrowing costs, and eligible expenses?

The loan amount awarded to any successful applicant will not exceed the lesser of 55% of the contract value supporting the loan or \$249,000.00. The interest rate is fixed weekly at prime rate + 0.5%. There are no points, application or escrow fees, or fund control processing fees. The following expenses, if applicable to the contract awarded, are considered eligible expenses:

- Labor costs, salaries, wages
- Materials
- Utility costs
- Permit & right-of-entry fees
- Taxes
- Supplies
- Equipment rental
- Insurance
- Bonding

What is the Fund Control Process?

A Fund Control Agent (FCA) will be selected by the Department through a Request for Proposal. The FCA, an independent vendor with expertise in construction processes, documentation and accountancy, will:

- Receive directives from a DBE for a loan disbursement and verify that requests for disbursement include all supporting documentation and that the request is for eligible expenses under the loan agreement;
- Notify the Escrow Agent of the amount to be disbursed to a DBE based on the directive from a DBE for eligible expenses per the loan agreement;
- Meet with DBEs to discuss credit restoration, loan repayment plans and successful completion of the loan program;
- Track progress on loan repayments and report to IDOT and the Loan Selection Committee;
- Notify IDOT of any defaulted loans;
- Notify IDOT of all loans repaid in full.

Can I apply for a loan for more than one project?

Yes, but each loan must be paid and closed prior to being considered for additional loans under the program. Not more than three (3) loans may be awarded to a participant during the life of the Program.

Where should I send my application?

Applications should be sent to:

DBE Loan Selection Committee
Illinois Department of Transportation
2300 South Dirksen Parkway, Room 300
Springfield, IL 62764

Who should I contact with questions?

Questions may be directed to:

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