



## Community Small Business Advance



### What is a Community Small Business Advance?

Community Small Business Advances allow members to borrow at zero-percent in support of small business lending.

### How can you participate?

- The application process is open year-round as long as the annual program allocation is available
- Members are encouraged to reserve subsidy prior to funding their small business loan
- A member must complete the Community Small Business Advance application and demonstrate the eligibility of the small business by providing documentation for both beneficiary criteria

### What are the benefits?

- Lower cost of funds
- Potential Community Reinvestment Act credit
- Support for small businesses and community revitalization efforts

### Learn More:

For more information on the Community Small Business Advance, please contact Community Investment at [cica@fhlbc.com](mailto:cica@fhlbc.com) or 312.565.5824.

### Key Program Elements:

- Eligible Projects: Loans supporting small businesses in Illinois and Wisconsin. Must meet both of the following beneficiary types:
  - **Geographic beneficiary:** The project is located in a low- or moderate-income census tract, defined as 80% of area median income or below per FFIEC.gov census tract data
  - **Activity beneficiary:** The project qualifies as a small business by either annual receipts or number of employees, based on the United States Small Business Administration (SBA) regulations, which utilize the North American Industry Classification System Codes
- Annual program and individual member limits of interest-rate subsidy apply
- The underlying loan must be at least \$100,000 and have a term of 1 year or more and the amount and term of the advance (limited to 10 years) cannot exceed that of the underlying loan
- A member's underlying loan cannot be greater than 90 days old when drawing the Community Small Business Advance
- The interest rate charged to the borrower cannot exceed 3.5%
- Periodic reporting is required on the status of the member's small business loan



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