



State Treasurer to Make Low-Interest Bridge Loans for Businesses Available as Soon as This Week

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SPRINGFIELD – Illinois small businesses can tap into \$250 million in low-interest bridge loans as soon as this week to help push through the COVID-19 pandemic, Illinois State Treasurer Michael Frerichs said today.

The state treasurer’s office will make \$250 million available to Illinois banks and credit unions that wish to participate. The financial institutions will determine who is eligible for the loans.

“We can move faster than the federal government and its partners because we are not slowed by the partisanship that overshadows such efforts,” Frerichs said. “Part of

ensuring the health and well-being of our residents includes making sure small-business owners stay solvent so their workers can be paid.”

Kraig Lounsberry, president of the Community Bankers Association, encourages its members to participate in this loan program. “Partnering with the state treasurer’s office will give community banks a powerful new tool to quickly protect small businesses suffering during this crisis,” Lounsberry said.

The Illinois State Treasurer’s Office can move faster than others because facilitating low-interest loans is one of its core functions. These linked-deposit loans have been a staple for decades. The most widely known linked deposit is Ag Invest, which helps farmers with annual and long-term loans to be used for operating costs, equipment purchases, livestock purchases, and construction-related expenses. Established in 1983, Ag Invest has provided more than \$4 billion in loans.

Other linked-deposit models include efforts to assist workers impacted by a government shutdown; faith-based organizations seeking facility improvements; and the legal cannabis industry.

“As someone who used to be in the restaurant business, these bridge loans truly are needed and will make a difference,” said Illinois Rep. Mike Murphy, R-Springfield. “Small business is the backbone of our economy, and now, more than ever, these businesses need to know state government is here to support them and their employees.”

“In Illinois, we can move more quickly than others because the treasurer’s office already has the authority to create these loan programs. These loans can help businesses stay solvent today, when they need the help,” said Illinois Sen. Scott Bennett, D-Champaign.

For more about the Illinois Small Business COVID-19 Relief Program, visit bit.ly/SmallBizRelief.

About the Illinois Treasurer

As Illinois State Treasurer, Frerichs is the state’s Chief Investment and Banking Officer and actively manages approximately \$31 billion. The portfolio includes \$13 billion in state funds, \$12 billion in college and retirement savings plans and \$6 billion on behalf of local and state governments. The investment approach is cautious to ensure the preservation of capital and returns \$42 to the state for every \$1 spent in operations. Frerichs’ office protects consumers by safeguarding more than \$3 billion in unclaimed property, encouraging savings plans for college or trade school, increasing financial

education, assisting people with disabilities save without losing government benefits, and removing barriers to a secure retirement. The Treasurer's Office predates Illinois incorporation in 1818. Voters in 1848 chose to make it an elected office.