



**FOR IMMEDIATE RELEASE**

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**Contact: Carrie Henderson**

**Indiana Finance Authority**

**(317) 234-2112**

## **CAP Incentive Program Offers Free Money to Indiana Lenders**

Through August 30, the Indiana Finance Authority (IFA) will make an opening deposit for a limited number of institutions that agree to become active in the Capital Access Program (CAP). The first 15 lenders who agree to the terms will receive a \$15,000 deposit in their Reserve Fund Account from the IFA.

CAP is a collateral gap (credit enhancement) tool for small business loans that creates a cash reserve fund for financial institutions at no cost to them. This cash reserve fund, which pools contributions from all enrolled loans, provides additional collateral that can be used to help offset losses on CAP loans. Since 1993, over 3,200 loans have been enrolled in CAP, helping to create more than 10,000 jobs.

The CAP helps financial institutions become more competitive by:

- Creating a specific cash reserve fund to pool contributions from all CAP loans enrolled;
- Tripling IFA's reserve fund match to the deposit account for a licensed childcare provider or high-skilled/high-growth company;
- Doubling IFA's reserve fund match to the deposit account for a minority-owned company;
- Giving one-and-a-half times IFA's match for lenders with less than \$2 million aggregate loan volume enrolled in CAP;

- Allowing the lender to determine whether a loan is made, the interest rate, terms and conditions and the amount contributed to the reserve fund by the borrower; and
- Allowing contributions made to the reserve fund to remain in the account after the loan matures to leverage against future enrolled loans.

Visit the IFA website at [www.ifa.in.gov](http://www.ifa.in.gov) for details. The IFA encourages you to call and learn more about CAP even if you are not interested in taking advantage of the incentive offer. Contact: Matt Tuohy, Program Manager, at 317-233-9138 / [mtuohy@ifa.in.gov](mailto:mtuohy@ifa.in.gov) ; Or, Cindy Pierson, Program Administrator, at 317-233-4335 / [cpierson@ifa.in.gov](mailto:cpierson@ifa.in.gov) to learn about CAP and IFA's other programs.

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