



Texas Small Business CREDIT INITIATIVE

Capital Access Program

Providing financial institutions the confidence they need to lend to small businesses that may struggle to access capital.

The Texas Small Business Credit Initiative (TSBCI) Capital Access Program (CAP) supports small businesses by working with financial institutions including Banks, Credit Unions, and Community Development Financial Institutions (CDFI's), to offer small business loans.

To encourage lenders to make loans to small businesses that struggle to access capital, the CAP provides matching portfolio insurance premium payments to a loan loss reserve (LLR) account created for each participating financial institution. The more loans a lender makes, the more coverage the lender has in the LLR. If a loan is charged-off, the lender can recover up to 100% of the charged-off principal. By reducing the lender's portfolio risk, the program provides financial institutions the additional assurance needed to extend loans to small business that otherwise face challenges in accessing capital.

The CAP is administered by the Economic Development Finance division in the Texas Economic Development & Tourism Office (EDT) on behalf of the U.S. Treasury.

For Lenders

Lenders can participate in the CAP by completing an online application.

Get started here: tsbci.gov.texas.gov.

For Small Businesses

Small businesses can view a list of participating lenders on the TSBCI Web Portal at tsbci.gov.texas.gov.

What Small Businesses Are Eligible?

Financial institutions may enroll loans from borrowers that meet the following criteria: Very Small Businesses (fewer than 10 employees) and small businesses (fewer than 500 employees). These eligible businesses must also be for-profit organizations, domiciled in Texas, and have a minimum of 51% of their employees currently located in Texas.

Eligible Uses of Funds

Loan proceeds from the CAP may be used for:

- Start-up Costs,
- Working Capital,
- Franchise Fees, or
- Acquisition of equipment, inventory, or services used in the production, manufacturing or delivery of a businesses' goods or services, or in the purchase, construction, renovation, or tenant improvements of an eligible place of business that is not for passive real estate investment purposes

Loan Criteria

- Loans of \$5,000 up to \$5 million may be enrolled in the CAP.
- Both the lender and the borrower must make matching premium payments of up to 3.5% of the loan principal to the LLR account.
- The State will match the combined amount the borrower and the lender contributed to the LLR.

For more information on TSBCI and the CAP, visit tsbci.gov.texas.gov.

For questions, please contact the TSBCI team at TSBCI@gov.texas.gov.

