



Texas Small Business CREDIT INITIATIVE

Loan Guarantee 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) Loan Guarantee Program (LGP) supports small businesses by working with financial institutions including Banks, Credit Unions, and Community Development Financial Institutions (CDFI's), to offer small business loan guarantees.

The LGP provides guarantees of up to 80% of unpaid principal on enrolled loans. By providing loan guarantees, the program provides financial institutions the additional assurance needed to extend loans to small business that otherwise face challenges in accessing capital.

The LGP 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 LGP 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.

Is your lender not on the list? Small businesses should contact their preferred lender and encourage them to participate in the program.

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 LGP 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 business's 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 \$20 million may be enrolled in the LGP.
- Loan guarantees may be up to 80%, but no higher than \$4 million
- Interest rate and qualifications will be determined by each participating lender

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.

