



OFFICE OF THE MAYOR
CITY OF CHICAGO

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**ORDINANCE PROPOSED THAT ESTABLISHES NON-PROFIT MICROLENDING
INSTITUTE TO INVEST \$1 MILLION IN THE CITY'S SMALL BUSINESSES**

First in the nation institute will train new microlenders and spur more than \$20 million in annual business revenue, create nearly 1000 small business jobs over next four years

The City's Department of Business Affairs and Consumer Protection today proposed an ordinance that would form the Chicago Microlending Institute (CMI), a first-in-the-nation institute that will train new lenders to make targeted loans to the City's smallest businesses. The CMI will administer the Small Business Loan Fund, a \$1 million pool of loan capital that is aimed at supporting the smallest businesses in Chicago with targeted microlending.

"Small businesses are the backbone of Chicago's economy," said Mayor Emanuel. "We must do everything we can to make sure our small businesses have the resources and opportunity they need to compete and grow. This program will build on ACCION's proven model and bring two more top-tier microlenders into the market next year. By using the \$1 million loan pool being made available by the City, the new lenders will provide capital to more than 250 small businesses so they can expand and fuel our economy."

Once approved by the City Council, ACCION Chicago will be tapped to run the institute, which will administer a training program that will train up to two additional lenders each year. The training program, which will cost \$245,000 to administer, will be funded by third-party grants. Once graduated, the new microlenders will receive funds from the loan pool as seed capital to lend to small businesses. In its first year, ACCION Chicago and two



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new graduated microlenders will begin lending – making loans to approximately 100 small businesses in its first year.

Earlier this year, the Mayor announced two initiatives that focus on small and minority- and women-owned businesses: The Small Business Initiative, which levels the playing field so that small businesses can compete alongside large firms for City contracts, and the Diversity Business Initiative, which is designed to increase the use of minority and women-owned businesses in the private sector by providing participation credits toward City contracts. Additionally, Mayor Emanuel worked with Goldman Sachs to bring the *10,000 Small Businesses* program to Chicago, which will infuse the city with \$25 million in crucial resources and training for the city’s small businesses. The Mayor has also successfully rolled back half of the \$4 “head tax” in his 2012 budget, and has pledged to eliminate the entire tax by the end of his term.

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