

CREDIT ENHANCEMENT FUND

This fund is a loan insurance tool that lenders can use to help businesses needing extra financing support to obtain financing.

The Oregon Credit Enhancement fund is a loan insurance tool that lenders can use to help businesses needing extra support to obtain financing. The average credit enhancement loan is for \$230,000.

WHO'S ELIGIBLE?

- Companies with fewer than 200 full-time employees
- Manufacturers, processors, destination tourism facilities, distribution, high technology and transportation facilities
- Any business that uses loan proceeds to clean up a brownfield site
- Any business in a designated economically distressed area* of the state. A list of economically distressed areas is available from the department or from our web site at www.oregon4biz.com/distarea.htm.

WHO'S NOT ELIGIBLE?

Retail businesses, shopping centers, food services, construction firms, motels, (except in economically distressed areas or for brownfield remediation).

WHAT ARE THE USES?

- Real property, buildings, machinery and equipment
- Working capital, including receivable and inventory financing
- Export financing

WHAT INSURANCE PRODUCTS ARE OFFERED?

Four insurance products are available:

- Conventional—may guaranty up to 90 percent of loan (maximum exposure of \$500,000)
- First Loss—may guaranty the first 25 percent of losses on a loan (maximum exposure of \$300,000)
- Evergreen Entrants—for initial working capital lines of credit (guaranty up to 75%, maximum exposure of \$250,000)
- Evergreen Plus—helps to secure larger lines of credit (guaranty up to 90%, maximum exposure of \$300,000)

WHAT ARE BUSINESS ADVANTAGES?

- Bank financing becomes available
- Quick response to loan insurance requests
- Reasonable fee schedules

WHAT ARE LENDER ADVANTAGES?

- Additional loan backing to help meet customer needs
- Quick response to loan insurance requests
- Minimal paperwork and "red tape"
- Banks use their own loan forms
- Banks set their own loan terms
- Lenders can increase the amount loaned to qualified businesses
- No servicing or other fees paid by the bank to the state
- Improved CRA (Community Reinvestment Act) ratings or compliance

References:

**Oregon Revised Statute (ORS)
Chapter 285B.200 to 285B.218**
[www.leg.state.or.us/ors/home.htm]

OAR 123 Division 21
[[arcweb.sos.state.or.us/rules/
number_index.html](http://arcweb.sos.state.or.us/rules/number_index.html)]

loan application
[oregon4biz.com/cef.htm]

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CREDIT ENHANCEMENT ENROLLED LENDERS

Albina Community Bank
American Pacific Bank
American State Bank
Baker Boyer National Bank
Bank of America Oregon
Bank of Astoria
Bank of the Cascades
Banner Bank
Capital Pacific Bank
Citizens Bank

Columbia River Bank
Community First Bank
Key Bank of Oregon
Merchants Bank
Mid-Valley Bank
Oregon Pacific Banking Co
Pacific Continental Bank
Pinnacle Bank
ShoreBank Pacific
Siuslaw Bank

South Valley State Bank
St Helens Community FCU
The Bank of the Pacific
Umpqua Bank
US Bank
Valley Community Bank
Washington Mutual
Wells Fargo Bank
West Coast Bank
Willamette Bank

For more information, contact your local bank or:

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