



**MICHIGAN ECONOMIC**  
DEVELOPMENT CORPORATION

# **MEDC CAPITAL ACCESS**

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**Chris Cook**

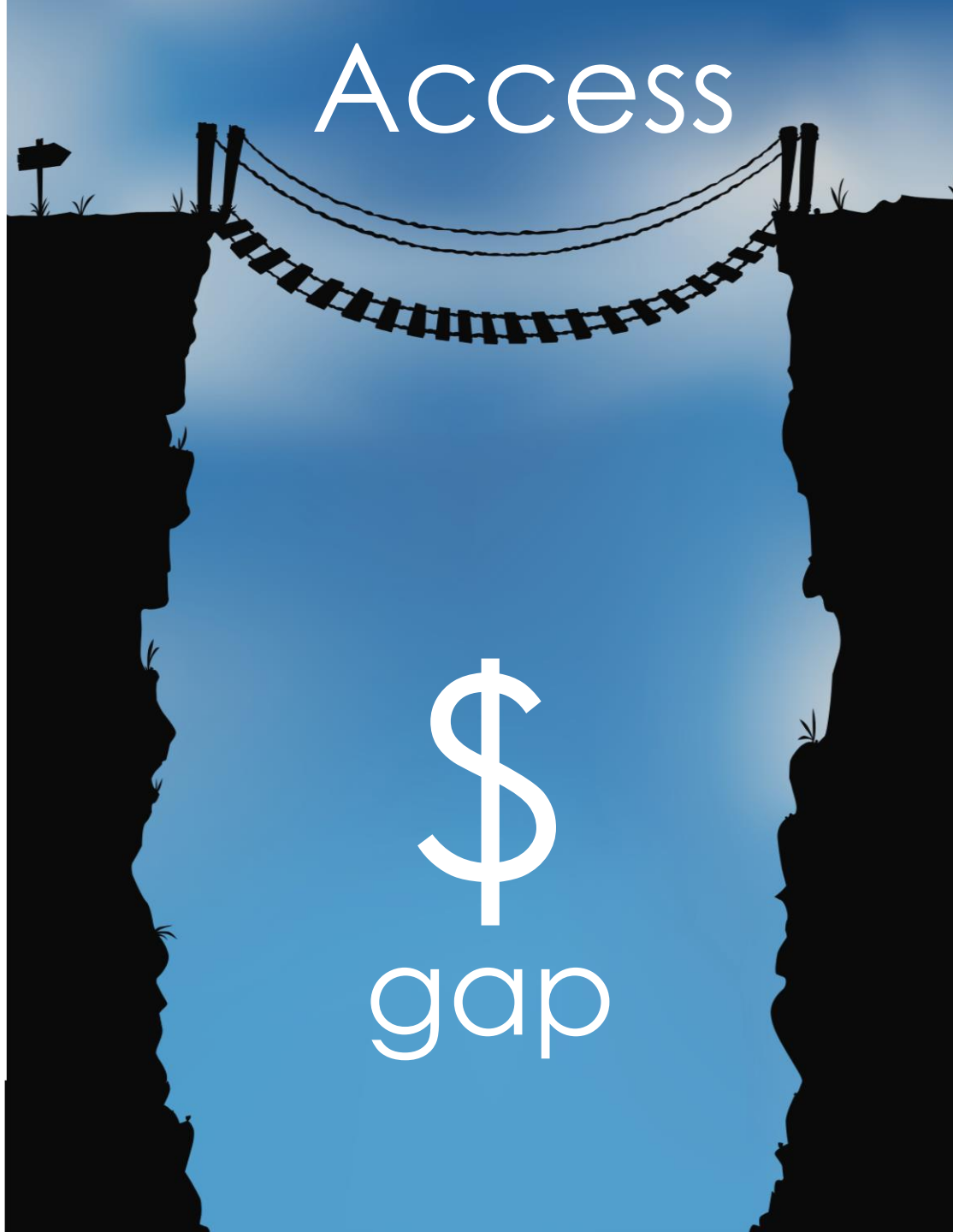
Director – Capital Access

Michigan Economic Development Corporation

# MEDC CAPITAL ACCESS PROGRAMS

- Both programs designed to use public capital to deal with an access issue
- Programs are intended to allow a bank to close on a deal that it otherwise couldn't
- Financial disincentive to use these programs vs. conventional financing

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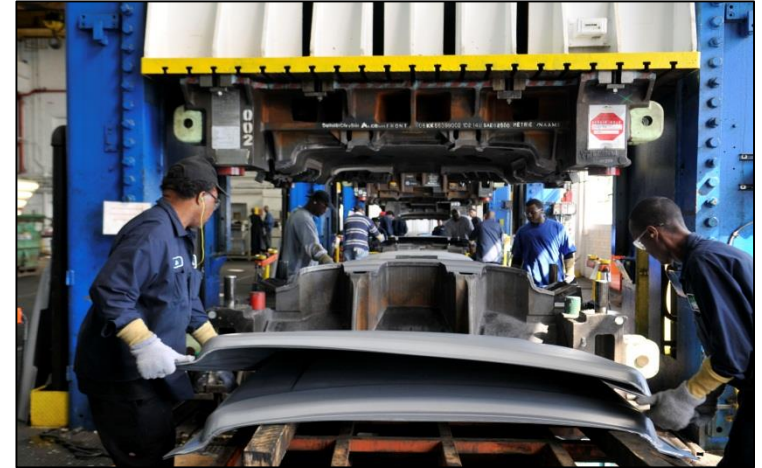
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# COLLATERAL & PARTICIPATION PROGRAMS

- Collateral Support Program: Deals with collateral value shortfalls
- Loan Participation Program: Deals with capacity to repay
- Support loans between \$200,000 - \$20 million

# COLLATERAL SUPPORT PROGRAM

- **Opportunity:** NCS had the ability expand its market share, grow employment, and diversify its customer base if it could acquire the needed capital.
- **Problem:** NCS had been unable to attract senior debt due to a lack of collateral coverage.
- **Solution:** MEDC Collateral Support Program



# LOAN PARTICIPATION PROGRAM

- **Opportunity:** Plascon was entered a period of rapid expansion and needed financing for real estate, equipment, and working capital.
- **Problem:** Plascon needed debt service coverage relief to support its planned expansion.
- **Solution:** MEDC Loan Participation Program



# CAPITAL ACCESS PROGRAM

- Supports financing that the lender may consider to be a higher risk
- Lender and borrower contribution is matched by MEDC
- Support loans between \$5,000 - \$500,000

# CAPITAL ACCESS PROGRAM

- **Opportunity:** Cherry Republic wanted to increase its retail presence
- **Problem:** Financing for retail businesses is considered by lenders to be higher risk than other industries
- **Solution:** MEDC Capital Access Program





# COVID-19 RESPONSE

- Collateral & participation programs may be used to support any business negatively effected by COVID-19
- CDFI Support
  - Northern Initiatives
  - Metro Community Development
  - Detroit Development Fund
  - Invest Detroit



MICHIGAN ECONOMIC  
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Chris Cook  
(517) 241-6707  
cookc@Michigan.org

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**THANK YOU**

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