

The State Small Business Credit Initiative

The State Small Business Credit Initiative (SSBCI) is part of the American Rescue Plan Act (ARPA) of 2021 and includes \$10 billion for state, territory and tribal business finance programs. Minnesota has been approved by the U.S. Department of the Treasury for up to \$97 million for small business financing support. This is the second SSBCI initiative – Minnesota received \$15 million through the Small Business Jobs Act of 2010. Minnesota will receive funds in three disbursements over several years. DEED has received the initial disbursement of approximately \$29.5 million.

Treasury approved Minnesota's application to implement six programs under the SSBCI initiative to benefit small businesses. Summary information about the programs is below. Information about how to apply is on each program page. In June 2023 we held a webinar providing information on the State Small Business Credit Initiative 2.0 Program Overview. The [recording \(https://youtu.be/xQl0w9HrZQ!\)](https://youtu.be/xQl0w9HrZQ!) and [presentation \(/deed/assets/ssbci-program-june-2023-presentation_tcm1045-581445.pdf\)](/deed/assets/ssbci-program-june-2023-presentation_tcm1045-581445.pdf) are available.

For more information about SSBCI, visit the [SSBCI page \(https://home.treasury.gov/policy-issues/small-business-programs/state-small-business-credit-initiative-ssbci\)](https://home.treasury.gov/policy-issues/small-business-programs/state-small-business-credit-initiative-ssbci) on Treasury's website.

For questions about Minnesota's allocation of SSBCI funding or any of the programs listed below, please contact [SSBCI.DEED@state.mn.us \(mailto:SSBCI.DEED@state.mn.us\)](mailto:SSBCI.DEED@state.mn.us).

Program Name	Type of Funding	Typical Customer	Applications and Lender Directories
<p><u>Automation Loan Participation Program</u> (/deed/business/financing-business/deed-programs/ssbci/automation-loan/index.jsp).</p>	<p>Loans up to \$500,000, 5- to 7-year term, 1% interest rate, private financing match required</p>	<p>Minnesota manufacturing, distribution, technology and warehousing businesses with fewer than 500 employees</p>	<p>Apply (/deed/business/financing-business/deed-programs/ssbci/automation-loan/index.jsp) with DEED once source of private matching funds has been identified</p> <p>Application available (/deed/business/financing-business/deed-programs/ssbci/automation-loan/index.jsp).</p>
<p><u>Growth Loan Fund</u> (/deed/business/financing-business/deed-programs/ssbci/growth-loan/index.jsp).</p>	<p>Loans from \$100,000 to \$400,000 based on 20% of the total investment in a defined funding round, not to exceed 12 months</p>	<p>Minnesota-based early-stage businesses that have raised less than \$250,000 or slightly later-stage businesses that are not yet ready for a Series A round</p>	<p>Apply (/deed/business/financing-business/deed-programs/ssbci/growth-loan/index.jsp) with DEED</p> <p>Business application available (/deed/business/financing-business/deed-programs/ssbci/growth-loan/index.jsp).</p>

<p><u>Minnesota Loan Guarantee Program</u> (/deed/business/financing-business/deed-programs/ssbci/loan-guarantee/index.jsp)</p>	<p>Guarantees up to \$800,000 with a .25% guarantee fee on loans enrolled by approved lenders</p>	<p>Minnesota-based small businesses eligible under SSBCI guidelines and using funds for eligible business purposes</p>	<p>guarantee/index.jsp) with an enrolled bank, credit union CDFI or nonprofit lender</p> <p><u>Lender directory available</u> (/deed/business/financing-business/deed-programs/ssbci/loan-guarantee/directory/index.jsp)</p> <p><u>Application for lender enrollment</u> (/deed/business/financing-business/deed-programs/ssbci/loan-guarantee/directory/index.jsp)</p>
<p><u>Small Business Loan Participation Program</u> (/deed/business/financing-business/deed-programs/ssbci/loan-participation/index.jsp)</p>	<p>Participations will range from \$10,000 to \$250,000</p>	<p>Minnesota-based small businesses eligible under SSBCI guidelines and using funds for eligible business purposes</p>	<p><u>Apply</u> (/deed/business/financing-business/deed-programs/ssbci/loan-participation/index.jsp) with an approved lender</p> <p><u>Lender directory available</u> (/deed/business/financing-business/deed-programs/ssbci/loan-participation/directory/index.jsp)</p>
<p><u>Direct Investment Venture Capital</u> (/deed/business/financing-business/deed-programs/ssbci/venture-capital/index.jsp)</p>	<p>Venture capital investments</p>	<p>Minnesota-based seed-stage and early-stage startups</p>	<p><u>Apply</u> (https://mnssbcivc.umn.edu/) with University of Minnesota</p> <p><u>Business application available</u> (https://mnssbcivc.umn.edu/)</p>
<p><u>Multi-Fund Venture Capital</u> (/deed/business/financing-business/deed-programs/ssbci/multi-fund-venture-capital/index.jsp)</p>	<p>Fund-level venture capital investments</p>	<p>Minnesota-based venture capital funds</p>	<p><u>Apply</u> (https://mnssbcivc.umn.edu/) with University of Minnesota</p> <p><u>Fund application available</u> (https://mnssbcivc.umn.edu/)</p>

[Minnesota Loan Guarantee Program \(/deed/business/financing-business/deed-programs/ssbci/loan-guarantee/index.jsp\)](/deed/business/financing-business/deed-programs/ssbci/loan-guarantee/index.jsp)

[Direct Loans to Businesses with Accredited Investor Support \(/deed/business/financing-business/deed-programs/ssbci/growth-loan/index.jsp\)](#)

Direct loans to businesses with accredited investor support that intend to complete an equity raise in the next 12 months.

[Direct Investment Venture Capital Program \(/deed/business/financing-business/deed-programs/ssbci/venture-capital/index.jsp\)](#)

Direct investments in innovative seed- and early-stage businesses in targeted sectors.

[Multi-Fund Venture Capital Program \(/deed/business/financing-business/deed-programs/ssbci/multi-fund-venture-capital/index.jsp\)](#)

Investments in venture capital funds that will invest in innovative Minnesota-based businesses.

[Small Business Loan Participation Program \(/deed/business/financing-business/deed-programs/ssbci/loan-participation/index.jsp\)](#)

Purchased loan participations for approved lenders making loans to eligible small businesses and microenterprises.

[Automation Loan Participation Program \(/deed/business/financing-business/deed-programs/ssbci/automation-loan/index.jsp\)](#)

Companion loans for Minnesota-based manufacturing businesses that are purchasing machinery, equipment or software to increase productivity and automation.

