



Illinois
Department of Commerce
& Economic Opportunity

JB Pritzker, Governor

Cannabis Program Financial Assistance: Social Equity Loan Program

Program Overview

- Low interest loan for social equity applicants for variety of licenses available. Typical loans will be up to \$250,000 for dispensaries and infusers, up to \$500,000 for craft growers, and up to \$50,000 for transporters. Amounts will be finalized once licenses are awarded.
- Loan funds can be used to pay for expenses incurred in day-to-day operations that are appropriate and helpful to the success of the business.
- Loan funds may not be used on capital expenses such as build out of business space unless otherwise approved by the DCEO.
- If approved, loan disbursements will not take place until after a license is awarded from Illinois Department of Financial & Professional Regulation (IDFPR) or Illinois Department of Agriculture (IDOA).
- The loan application is currently open to those that applied for a dispensary license through IDFPR on or before the deadline of January 2, 2020 and those applying for the craft grower, infuser, or transporter licenses through IDOA.

Uses of Cannabis Loan Funds

Examples of Allowable Uses	Potentially Allowable with DCEO Approval (assessed on a case-by-case basis)
<ul style="list-style-type: none"> ▪ Rent 	<ul style="list-style-type: none"> ▪ Construction
<ul style="list-style-type: none"> ▪ Payroll 	<ul style="list-style-type: none"> ▪ Build-out
<ul style="list-style-type: none"> ▪ Purchase of equipment 	Not Allowable
<ul style="list-style-type: none"> ▪ Purchase of inventory 	<ul style="list-style-type: none"> ▪ Food
<ul style="list-style-type: none"> ▪ Regulatory compliance expenses 	<ul style="list-style-type: none"> ▪ Entertainment
<ul style="list-style-type: none"> ▪ Certain legal expenses 	<ul style="list-style-type: none"> ▪ Travel
<ul style="list-style-type: none"> ▪ Employee training 	<ul style="list-style-type: none"> ▪ Expenses for facilities outside of Illinois
<ul style="list-style-type: none"> ▪ Professional services (e.g., accountants) 	<ul style="list-style-type: none"> ▪ Payment of fines or penalties
<ul style="list-style-type: none"> ▪ Utilities 	<ul style="list-style-type: none"> ▪ Purchase/lease of vehicles (except for transporter licenses)
	<ul style="list-style-type: none"> ▪ Legal expenses associated with litigation involving the State of Illinois relating to any regulatory or criminal matter

Note: This list is for illustrative purposes only and is not exhaustive. All proposed uses of funds will be negotiated and memorialized in the loan agreement. All uses of the proceeds must be necessary for the Illinois business, supported by adequate proof of obligation and expenditure, and comply with all requirements of the loan program.

Loan Application Process


Submit the completed loan application then submit the materials to DCEO



DCEO will review your loan application and determine if to award a Conditional Commitment Letter



If awarded a Conditional Commitment Letter, DCEO will determine terms and conditions once the potential borrower is awarded a license and is determined to be a Qualified Social Equity Applicant.



The borrower and DCEO will finalize the terms and loan agreement.



REPORTING, the borrower should report to DCEO at least quarterly regarding but not limited to job creation/retention, use of funds, change in owners, etc.

Cannabis Program Financial Assistance Uniform Loan Application

The uniform loan application will be open to those that applied for a Dispensary license and those applying for a Craft Grow, Infuser or Transporter license.

- The application consists of the following sections:
 - General information
 - Social Equity Applicant Status Narrative
 - Verification of Social Equity Applicant Status
 - Company Information
 - Dispensary or
 - Craft grower, Infuser, Transporter
 - Applicant Certification
 - Appendixes

General Information

- List the business applicant name OR Individual Name
(Note, the name listed here should be the name that would be listed on the license application)
- Please be sure all contact information is accurate. If the information is inaccurate, DCEO will not be able to reach you.

Social Equity Status Narrative

- **First Narrative** – Explain social equity applicant status and how the Business Applicant, its owners, and employees were impacted by cannabis-related laws and/or by living in a Disproportionately Impacted Area. 3 page limit.
- **Second Narrative (Financial Narrative)** – Explain how the business applicant is ready to operate a cannabis business in IL. 3 page limit.
- **Third Narrative (Need for Funds)** - Explain the applicant's need for support under the program, the type of support being sought, the amount and how funds will be repaid. 5 page limit.

Verification of Social Equity Status

- **Exhibit P, “Evidence of Status as a Social Equity Applicant”** from the IDFPR license application OR **Exhibit G, "Social Equity Applicant"** for Craft Grower and Infuser or **Exhibit D, "Social Equity Applicant"** for Transporter can be submitted for this section
- There is no page limit for this section.

Craft Grower, Infuser, and Transporter Company Information

- #1 - Business Plan and Services to be Offered (page limit: None)
 - Submit **Exhibit F**, from the IDOA Craft Grower or Infuser application license, or **Exhibit A** from the Transporter license.
- #2 - Project Summary (page limit: none)
 - Description of the type of business operation the Business Applicant intends to run and their ability to run the business effectively.
- #3 – Timeline (page limit: 5)
 - Key and projected dates as it relates to the operations of the cannabis business including projected dates for funding resources.
- #4 - Five Years of Tax Returns (page limit: none)
 - If no tax returns have been submitted in any of the past five years, the Principal Officer and/or Business Applicant shall provide a zero-income affidavit for each applicable year.
- #5 - Articles of Incorporation, Operating Agreement, Bylaws, Partnership Agreement, or any other document evidencing proof of ownership interest in the entity. (page limit: none)

Craft Grower, Infuser, and Transporter Company Information (con't)

- #6 – Financial Information (page limit: none)
 - Only for businesses who have been operating for more than 6 months.
 - Interim statements dated no more than 90 days prior to submitting the loan application and if available audited financial statements for past 3 years.
- #7 – Five Year Projections (page limit: none)
 - Include information on projected profit and loss, operating expense breakdown, and monthly cash flow for the next five years.
- #8 – For Start-Ups (page limit: none)
 - **Required only for start-ups** (businesses less than 6 months old).
- #9 - Notice of Proper Zoning (page limit: none)
 - **Submit Exhibit O** from the IDOA Craft Grower and Infuser license application, or **Exhibit K** from the Transporter license.

Craft Grower, Infuser, and Transporter Company Information (con't)

- #10 Diversity Plan (page limit: none)
 - Submit **Exhibit B** from the IDOA Craft Grower, Infuser or Transporter license application.
- #11 – Description of Machinery and Equipment (page limit: 5)
 - **If applicable**, indicate what type of machinery and/or equipment will be purchased with DCEO loan funds.
 - Submit the applicable supporting documents such as vendor cost estimates, etc.
- #12- Company Management (page limit: none)
 - Provide documentation regarding each proposed principal officer such as a resume or a document addressing each item requested.

Craft Grower, Infuser, and Transporter Company Information (con't)

- #13 – Organizational and Ownership Records (page limit: none)
 - **Please submit Exhibit P** of IDOA's Craft Grower and Infuser license application or **Exhibit L** for Transporter license application. **However, be sure to address each sub-item as this section asks for more than just what was asked for in these Exhibits.**
- #14 – Letters of Commitment (if any) (page limit: none)
 - Provide copies of all commitment letters or funding sources.

Craft Grower, Infuser, and Transporter Company Information (con't)

- #15 – Community Letters of Support (Optional) (page limit: none)
 - **OPTIONAL** – Applicant may submit any letters of support from the community where the cannabis business will be located.
- #16 – (Transporter ONLY) Operating Agreement with Dispensary, Craft Grower or Infuser
 - Provide a copy of an operating agreement with a dispensary, craft grower or infuser organization. The dispensary, craft grower or infuser organization must be licensed, or have applied for a license, at the time of this application.

Applicant Certification

- Please print, sign, and scan this completed application.
 - Typed signatures will not be accepted.
- Please be sure an authorized representative signs this document.

Instructions for Submission

The completed loan applications including supporting materials can be submitted the following ways:

- **Electronically** through the State of Illinois secure file transfer site, at <https://filet.illinois.gov/filet/PIMupload.asp>

(enter ceo.cannabisloan@illinois.gov in the Recipient Email Addresses box)

- **In-person** (Monday-Friday, 2p.m.-4p.m.) (paper or jump drive will be accepted) at:

**Illinois Department of Commerce and Economic Opportunity
Office of Minority Economic Empowerment
100 West Randolph Street, Suite 3-400
Chicago, IL 60601**

Illinois.Gov
File Transfer 2.1

Upload

WARNING! UNAUTHORIZED ACCESS IS PROHIBITED

Further access is limited to authorized users for State of Illinois official business only. By accessing or using this system you are consenting to the file(s) is secured via SSL during the upload and download process; to further protect the file(s), it is the user's responsibility to protect the file(s).

I acknowledge that I have read and understand this warning.

It's as easy as 1-2-3, ... 4! [Instructions](#) [Features!](#)

1 Recipient Email Addresses: (comma separated)

2 Your Email Address :

3 Select File to Send (Up to 2 gig): [+ Add More Files](#)

File Transfer Email Subject (Optional):

Advanced Options

Message to Recipient (Optional):

4

Loan Questions

EMAIL:

CEO.AdultUseCannabis@Illinois.gov

**Call Cannabis Loan Hotline,
877.221.4403**

Text **CANNABISILLINOIS** to **42828** to be added to our distribution list and ensure that you are updated when information about both are available.