



JOSH MANDEL

STATE TREASURER OF OHIO

Q. What is GrowNOW? A. GrowNOW is a partnership between eligible banks and the Ohio Treasury. The program enables small business owners to receive up to a 3% interest rate reduction on new or existing small business loans for two years with the opportunity for renewal. Small business owners must commit the loan to the creation or retention of at least one full-time job or two part-time jobs in the State of Ohio, for every \$50,000 borrowed. Q. Where does the money come from? Is this similar to a grant? A. With GrowNOW, the Ohio Treasury places an investment at an eligible depository bank and agrees to a reduced rate of return. The bank then agrees to pass their savings along to the small business owner in the form of an interest rate reduction. The state still earns interest on its money while also leveraging resources in local economies to promote economic growth. The Ohio Treasury does not loan money. The Treasury only makes strategic investments and the banks make credit decisions. Q. How is the GrowNOW rate reduction determined? A. The GrowNOW interest rate reduction will be based on the loan's interest rate set for each borrower by the bank. If the interest rate is above 5%, the reduction will be 3%. If the interest rate is 5% or below, the reduction will be 2.1%. Q. How do I qualify? A. In order to qualify for GrowNOW, an eligible business must have headquarters in Ohio, maintain offices and operating facilities in Ohio, have less than 150 employees, have a majority of employees be Ohio residents, be organized for profit and be able to save or create one full-time or two part-time jobs in Ohio for every \$50,000 borrowed. Q. What if the terms of my bank loan exceed the GrowNOW limit? A. GrowNOW will reduce the interest on up to \$400,000 of a loan for two years. The length of loan and the amount of your loan can be greater. Q. Can I apply GrowNOW to an existing loan? A. Yes, you may apply GrowNOW to an existing loan, as long as your business meets all the program requirements. Q. How can I use GrowNOW? A. As long as you create or retain jobs in Ohio, you can use your loan for business operations and financing. For example, loans can be used for financing purposes, including but not limited to debt refinancing, operating capital or acquisitions. Q. Can a business participate with more than one loan? A. Yes, GrowNOW can be applied to multiple loans up to the \$400,000 funding limit. Q. Can the GrowNOW interest rate reduction be renewed? A. Yes, your small business may complete a simple renewal process after the two-year rate reduction has ended. Q. How often can a business participate in the program? A. Your small business can only participate in GrowNOW for four out of any six-year period. Q. Is there an annual application period or deadline? A. No, the Ohio Treasury accepts applications year round and approval decisions are made on a first-come, first-serve basis. Q. Can I use GrowNOW with other programs? A. Yes, absolutely. The Treasury encourages smart business and wants Ohio's small businesses to receive all the support for which they are eligible. GrowNOW can be used to complement other small business borrowing tools such as SBA loans, Ohio Department of Development 166 Direct Loans as well as other tax abatements, incentives and credits. Q. Can I use GrowNOW to purchase real estate for the business? A. Since GrowNOW is linked to job creation and retention, the reduction can only be applied to a loan that is in the name of the operating company, which is the company that writes the paychecks to the employees. It can be used for real estate purchases, so long as the loan is in the name of the operating entity or small business owner and not in the name of a holding company. Q. Can franchises participate in GrowNOW? A. All franchises will now be approved for participation in GrowNOW, as long as the current fiscal year funding for all economic development programs is below capacity. The Economic Development Department may invest up to 12% of the state portfolio in linked deposit programs. Capacity is defined as 90% of the overall economic development funds for the fiscal year (12% of the state portfolio). When the current fiscal year funding is above capacity, no franchise will be approved unless the business is owned by a veteran or spouse of a veteran or the business is located in a county with an unemployment rate above the Ohio statewide average.

30 EAST BROAD STREET · 9TH FLOOR · COLUMBUS, OHIO 43215
PHONE: (614) 466-2160 · WWW.OHIOTREASURER.GOV · FAX: (614) 644-7313