



Social Equity Cannabis Loans **(Cannabis Program Financial Assistance)**

Pursuant to the Cannabis Regulation and Tax Act (410 ILCS 705), cannabis will be legal for adult use in Illinois starting on January 1, 2020. The State of Illinois is committed to ensuring that communities historically impacted by arrests and imprisonment for cannabis offenses have the opportunity to participate in the legal cannabis industry.

As part of this effort, the Illinois Department of Commerce & Economic Opportunity (DCEO) will provide **low-interest loans** to Social Equity Applicants to assist with the expenses of starting and operating a cannabis business establishment.

Who Qualifies?

These loans will be available to Social Equity Applicants, which are applicants that meet the following criteria:

- Has at least 51% ownership and control by one or more Illinois residents who:
 - Have lived in a Disproportionately Impacted Area in 5 of the past 10 years. Disproportionately Impacted Areas are census tracts that have high rates of arrest and incarceration related to cannabis offenses, among other qualifications including high poverty and unemployment. [A map of these areas is available here.](#)
 - Have been arrested for, convicted of, or adjudicated delinquent for cannabis-related offenses eligible for expungement, including cannabis possession up to 500 grams or intent to deliver up to 30 grams.
 - Have a parent, child, or spouse that has been arrested for, convicted of, or adjudicated delinquent for cannabis-related offenses eligible for expungement, including possession up to 500 grams or intent to deliver up to 30 grams.
- Has more than 10 full-time employees, and more than half of those employees:
 - Currently reside in a [Disproportionately Impacted Area](#).
 - Have been arrested for, convicted of, or adjudicated delinquent for cannabis-related offenses eligible for expungement, including cannabis possession up to 500 grams or intent to deliver up to 30 grams.
 - Have a parent, child, or spouse that has been arrested for, convicted of, or adjudicated delinquent for cannabis-related offenses eligible for expungement, including possession up to 500 grams or intent to deliver up to 30 grams.

Beyond Social Equity Applicant status, other criteria that will be considered for qualification for a loan include business plans, financial details, operational and compliance information. Although all loans will be below market rate, the specific rate, size, and duration of each loan will be determined on a case-by-case basis.

How Does It Work?

Social Equity Applicants will have the option to apply to be pre-approved for Cannabis Program Financial Assistance (Cannabis Social Equity Loan), conditional on receipt of a license. Social Equity Applicants that are awarded a license have the option to apply for (Cannabis Social Equity Loan) from DCEO to help cover the expenses of operating a cannabis business establishment.

What Can The Cannabis Loan Funds Be Used For Or Cover?

The 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. Below are some examples of allowable uses of the loan funds but not an exhaustive list:

- Rent
- Payroll
- Purchase of equipment
- Purchase of inventory
- Regulatory compliance expenses
- Certain legal expenses
- Employee training
- Professional services (e.g., accountants)
- Utilities

This Sounds Complicated...

We're here to help! You can find technical assistance and support on everything from putting together a business plan to applying for a license at a range of locations throughout the state. For more information please visit, <https://www2.illinois.gov/dceo/Pages/CannabisEquity.aspx>.

Any Other Details I Should Know?

Just a few:

- The [Cannabis Program Financial Assistance Application for Adult Use Dispensing Organization License](#) (loan application) is currently open to those that applied for a dispensary license through the Illinois Department of Financial and Professional Regulation (IDFPR) on or before the deadline of January 2, 2020. Loan information for other types of cannabis licenses e.g., craft grower, infuser, and transporter is forthcoming.
- Loan recipients will be required to provide quarterly documentation to demonstrate that they are continuing to operate a viable business establishment in the cannabis industry.
- Loans will not be transferable. If a license is transferred, the new licensee will be required to repay the balance of the loan, as well as any waived or reduced fees, in full. If the new licensee is a Social Equity Applicant, they will have the option to apply for a new loan.
- Failure to comply with loan requirements, to retain a current license, or to remain in good standing with IDFPR or Illinois Department of Agriculture (IDOA) for the duration of the loan will result in noncompliance and required repayment of the loan balance or more.

If you have any further questions, please e-mail us at CEO.adultusecannabis@Illinois.gov. You may also text **CANNABISILLINOIS** to **42828** to be added to our distribution list for further updates.