

Ohio Department of Development

NEWS RELEASE

Bob Taft, Governor
Bruce Johnson, Lt. Governor

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Media Contact: Melissa Ament at (614) 466-6619
or Maria Smith at (614) 466-2382

JOHNSON RELEASES GUIDELINES FOR ZERO PERCENT FINANCING OFFER TO OHIO AUTOMOTIVE SUPPLIERS

COLUMBUS — Lieutenant Governor Bruce Johnson today released guidelines for the Zero Percent Financing Initiative, which is currently offering automotive suppliers a zero percent interest rate on loans related to the location or expansion of automotive manufacturing operations in Ohio that generate new investment and create jobs. Companies may apply for the loans through December 31, 2006 and the zero percent interest rate will be applicable for up to 24 months.

“Ohio is the second largest automotive manufacturer in the country and suppliers provide numerous economic growth opportunities for the state by encouraging new investment and job growth in the industry,” said Johnson, who also serves as state development director. “This special financing will contribute to the continued growth and success of Ohio’s automotive industry by enabling our suppliers to provide quality parts and materials for major automakers and create good jobs for Ohio workers.”

The zero percent financing initiative applies to the 166 Direct Loan and the Research & Development Investment Loan Fund programs for the first 24 months of the loan. Following the special promotion period, loans will be subject to standard low interest rates for the remainder of the term. Projects financed with the promotional interest rate can finance up to 40 percent of the 166 Direct Loan with a maximum of \$2.5 million of a project’s allowable costs. The Research & Development Investment Loan Fund can finance up to 50 percent with a maximum of \$10 million of a project’s allowable costs. A non-refundable tax credit of up to \$150,000 may also be available with Research & Development Loan Fund loans.

Eligible businesses include tier I and tier II automotive suppliers that are either locating or expanding operations in Ohio. Applicants must be engaged in specialties that include manufacturing and/or related automotive research and development. Eligible projects must be directly related to the production of automotive parts for passenger vehicles and/or light trucks.

All projects are subject to the guidelines of each program and loans are subject to the approval of the Development Financing Advisory Council and the State Controlling Board. Companies with an outstanding loan through ODOD are ineligible for refinancing, but may apply for financing under this offer to cover costs of an expansion that will result in the creation of jobs. Each project will be considered on a case-by-case basis. Additional information about the Zero Percent Financing Initiative and guidelines for the 166 Direct Loan and the Research & Development Investment Loan programs are available online at www.odod.state.oh.us/EDD/Loans_Grants.htm.