



BUSINESS FINANCE ASSISTANCE PROGRAM

Southwestern
Pennsylvania
Commission

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PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

PIDA LOAN FUND

Pennsylvania Industrial Development Authority

PURPOSE

Provides low interest financing for land and building acquisition and construction, machinery and equipment purchases, and working capital to businesses unable to fully finance projects with equity, bank financing, or other private and public sources.

LOAN LIMITS

\$400,000 or 50% of the total project cost, whichever is less.

TERM

15 years – Land and Buildings
7-10 years – Machinery and Equipment
1 year – Line of Credit for Working Capital and
or Accounts Receivable



RATE

Currently at 2.0% fixed, per annum

PRIVATE FINANCING

Private sector or equity match is required

ELIGIBLE USES

Building acquisition, construction, or renovation; Machinery and equipment purchases and upgrades (including installation costs); working capital needs; and environmental compliance/pollution prevention.

ELIGIBLE APPLICANT

For profit manufacturing enterprises; Industrial enterprises; Agricultural processors; Mining enterprises; Export-related, advanced technology, and computer-related services; hotels, motels or restaurants (must be open at least five years and employ at least five full-time employees); Construction enterprises; Child day care facilities; Environmental compliance/pollution prevention; Municipal or commercial recyclers; and U.S. Department of Defense-related projects; Excluded entities include all retail, service, or professional services not specifically listed above.

COLLATERAL

Loans are to be secured by lien positions on collateral at the highest level of priority that can accommodate the borrower's ability to raise debt and equity capital. Generally, personal and corporate guarantees as well as assignment of a life insurance policy are required.

APPLICATION REQUIREMENTS

Must have 100 or fewer employees, including parent, subsidiaries and affiliates, at the time of application. Export – Manufacturers of products that will be exported outside of the U.S. Export Service – 51% or more of the company's sales must be outside of PA.

OTHER REQUIREMENTS

Independently and professionally-prepared financial statements. Commitment letters from all other sources of funding. Sufficient cash flow to meet the debt service. Within three years at least one fulltime job must be retained for every \$35,000 borrowed or created for every \$50,000 borrowed. Key person life insurance, in most instances, will be required.