



PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT
SMALL BUSINESS FIRST LOAN FUND

FIRST INDUSTRIES – AGRICULTURE PROGRAM

BUSINESS FINANCE ASSISTANCE PROGRAM

Southwestern Pennsylvania Commission

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PURPOSE

Provide low interest loans and loan guarantees to non-profit and for-profit businesses undertaking projects related to the promotion and development of agriculture or agriculture-related activities in Pennsylvania.

LOAN LIMITS

\$400,000 or 50% of the total project cost, whichever is less. Only \$100,000 may be used for working capital. At least one full-time job must be created or preserved within three years from the completion of the project for every \$25,000 borrowed.

TERM

15 years – Land and Buildings
10 years – Machinery and Equipment
3 years – Working Capital



RATE

3.25% fixed, per annum. A project located in an Agricultural Security Area or a project involving urban or rural supermarkets may receive a 1% reduction in interest rate.

PRIVATE FINANCING

Private sector or equity match is required

ELIGIBLE USES

Production agriculture, which includes farming and farm commodities; farm commodities include: horticultural, aquacultural, vegetable, fruit and floricultural products, livestock and meats, wools, hides, furs, poultry and eggs, dairy products; nuts; mushrooms; honey products; and forest products. Activities include: agribusiness, sale of wholesale farm commodities, sale of farm commodities at retail by urban and rural supermarkets (not convenience stores) located in underserved areas, farmers markets, energy-related activities impacting production agriculture or agribusiness or activities which implement best management practices related to agricultural waste, waste products and byproducts.

ELIGIBLE APPLICANT

For-profit businesses, including corporations, limited liability corporations, sole proprietors, cooperatives and partnerships, engaged in production agricultures, agribusiness or eligible agriculture-related activities are eligible loan applicants. Both for-profit and non-profits entities engaged in similar practices are eligible for the loan guarantee program.

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 are required.

APPLICATION REQUIREMENTS

Must have 100 or fewer employees, including parent, subsidiaries and affiliates, at the time of application.

OTHER REQUIREMENTS

Independently and professionally-prepared financial statements. Commitment letters from all other sources of funding. Sufficient cash flow to meet the debt service. Key person life insurance, in most instances, will be required.