



PIDA Loan Fund

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.

Term

- 15 years – Land and Buildings
- 7-10 years – Machinery and Equipment
- 3 years – Working Capital

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.

Loan Limits

- Land/Building acquisition/construction - up to \$2 million or 50% of the total project cost
- Machinery & Equipment - up to \$400,000 or 50% of the total project cost
- Working Capital - up to \$100,000. This is typically used for new employee salaries, employee training, or inventory purchases, and is often utilized in conjunction with a machinery, equipment, or land/building acquisition.

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 are required.

Application Requirements

- Must have 100 or fewer employees, including parent, subsidiaries and affiliates, at the time of application. There are exceptions for the larger loan fundings on over 100 employees.
- 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.
- For every full-time job retained borrower will gain access to \$35,000, and/or up to \$50,000 for every full-time job created over 3 years.
- Key person life insurance, in most instances, will be required.

Contact us
for a low rate
PIDA loan.



**For more information
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