



Revolving Loan Funds

The Southwestern Pennsylvania Commission (SPC) operates two revolving loan funds, backed by the U.S. Appalachian Regional Commission and the U.S. Economic Development Administration, respectively. These funds are designed to provide SPC's small business clients with 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.

Eligibility requirements

Businesses seeking financing must be organized as a for-profit small business with less than 100 employees. Additionally, the business must operate within SPC's nine-county region.

Additional eligibility requirements include:

- Businesses must provide 1:1 matching financing from either other public/private lending institution, or through the owner's equity investment
- Personal guarantees are required from principal business owners
- Assignment of life Insurance on the principals
- Retention of one job for every \$35,000 borrowed
- Creation of one job for every \$50,000 borrowed

Loan Limits

50% of the total project cost, up to \$300,000, whichever is less

Term

- Land, Building, and Construction Purchases – up to 15 years
- Machinery and Equipment – up to 10 years
- Working Capital – Up to 3 years
- The term on an SPC Revolving Loan is never longer than a bank term

Rate

Typically, SPC's revolving loan rates are 4% below the current U.S. Treasury rate. Please contact SPC's Business Finance Department for the current rate.

Costs

- 1% application fee
- Annual servicing fee of ½ of 1% of the outstanding principal, with no pre-payment penalty

For more information please contact:

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