



PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

## Small Business First Loan Fund

### BUSINESS FINANCE ASSISTANCE PROGRAM

Southwestern  
Pennsylvania  
Commission

Two Chatham Center  
Suite 500  
112 Washington Place  
Pittsburgh, PA 15219-3451  
Voice (412) 391-5590  
Fax (412) 391-9160  
www.spcregion.org

For more information contact:

Edward Nemeth, Manager  
Business Finance Assistance  
(412) 391-5590 x322  
enemeth@spcregion.org

or

Todd Stranko, Assistant Manager  
Business Finance Assistance  
(412) 391-5590 x350  
tstranko@spcregion.org



#### 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

\$200,000 or 50% of the total project cost, whichever is less.  
Only \$100,000 may be used for working capital.

#### TERM

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



#### RATE

~~Currently at 4% fixed, per annum~~  
1.75% Fixed

#### 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 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. 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. Key person life insurance, in most instances, will be required.