

PIDA Loan Fact Sheet:

1. All CWCA loan applications must be submitted through a Certified Economic Development Organization (CEDO). For the list of CEDO's operating within Pennsylvania, please refer to [www.dced.pa.gov/cedo/](http://www.dced.pa.gov/cedo/)
2. **Eligible Businesses**
  - a. For-profit retail / service/ agricultural producer enterprises located in the Commonwealth of Pennsylvania and having 100 or fewer full-time employees.
3. **Eligible Costs**
  - a. Any eligible working capital costs, excluding fixed assets and production machinery and equipment, paid for by the eligible business enterprise for the previous three (3) month period (six (6) month period for service and retail enterprises) prior to submission of the loan application, plus any current operating expenses invoiced, but not paid. Any application fees and closing costs may be included as well.
4. **Loan Amounts, Job-Requirements**
  - a. Eligible working capital costs up to \$100,000.
  - b. There are no job retention / creation requirements
5. **Interest Rates and Terms**
  - a. Interest rates
    - i. 0% for retail/service enterprise
    - ii. 2% for agricultural producer
  - b. Terms
    - i. Loan terms are three years with a 12-year amortization
    - ii. no payments will be due and payable during the first year
    - iii. principal and if applicable, interest payments will be due monthly for years two and three
    - iv. A balloon payment will be due and payable at the end of the third year
6. **Collateral**
  - a. The loan shall be secured by a blanket lien on all business assets currently owned or acquired in the future at the highest lien position available.
7. **Guarantees**
  - a. The loan shall be guaranteed by any individual or entity with a 20% or greater ownership interest in the eligible business enterprise.
8. **Taxes Current**
  - a. The borrower and its principals must be current in payment of all applicable federal, state and local taxes unless they have entered into a workout agreement satisfactory to the respective taxing authority and are fully in compliance with the terms of that agreement.
9. **Debt Service Requirement**
  - a. The overall debt service coverage ratio should be at least 1:1 or better based on a company's 2019 financial statement/tax return.