



SEDA-COG Revolving Loan Funds

Business Finance: Your Lending Partner

Eligible Applicants

For-profit small businesses in the SEDA-COG 11-County region involved in the manufacturing, service, agriculture, or retail sectors that have at the time of application, 100 or fewer full-time employees. Some funds can be used for eligible small businesses throughout the State of Pennsylvania.

Eligible Use

Purchase of real estate, renovations, new construction, machinery and equipment, working capital, refinancing debt, and some soft costs. Certain funds cannot be used for construction, renovation, or installation costs.

Loan Amount

Amount may be up to 50% of the eligible project costs. In some cases participation may be up to 90%.

Interest Rate

Rates will be based on the 10-year Treasury rate (rounded to the nearest quarter point on a quarterly basis) + 0%-3% based on the overall credit of the borrower and will be set at the time of approval.

Term

Three (3) years, up to a maximum of five (5) years for working capital; up to ten (10) years for machinery and equipment; up to twenty-five (25) years for real estate. Mixed-use projects might receive a blended term based on collateral.

Borrower Down-payment

For existing businesses (more than two years of operations), borrower must provide a minimum of 10% of the project cost. For start-ups, early-stage businesses, or changes in ownership, borrower may be required to provide 15% of the project cost. In some cases, equity in existing real estate may be used toward the borrower injection.

Job Criteria

One job to be created or retained for every \$100,000 of SEDA-COG funds provided within three years of disbursement. Loans to agricultural producers will not require any job creation/retention.

Fees

SEDA-COG charges a 1% commitment fee, a 1% closing fee, and a minimum \$500 legal fee.

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