



# Telecommunications Equity and Marcellus (TEAM)

## Business Finance: Your Lending Partner

### Eligible Applicants

For-profit corporations, limited liability companies, partnerships, sole proprietorships or other legal business entities located within the Commonwealth of Pennsylvania and having 500 or fewer full-time employees worldwide at the time of submission of the application. However, priority will be given to companies having 100 or fewer full-time employees. The TEAM loan program will focus on manufacturing, service, or retail businesses engaged in promoting broadband technology and communications and businesses involved in Marcellus Shale activities. The program can also be used to offset part of a borrower's equity requirement in a project involving another SEDA-COG loan.

### Eligible Use

Land acquisition, site improvements, acquisition of existing building, building renovation, new construction, machinery & equipment, working capital, and certain soft costs.

### Loan Amount

\$250,000 or 50% of the eligible project costs, whichever is less. For loans made toward a borrower's equity injection, the loan amount will be up to 50% of the borrower's minimum required equity injection as defined by the accompanying SEDA-COG loan provided in the project or \$250,000, whichever is less. The minimum loan amount is \$25,000. (Some exceptions may apply).

### Interest Rate

The interest rate is set on a quarterly basis for loans approved by SEDA-COG within that quarter. Rates are fixed for the life of the loan and are based on the 10-year treasury rate +1.50%. At no point will the rate be less than 4%.  for current rate

### Term

Three (3) years for working capital; up to ten (10) years for machinery and equipment; fifteen (15) years for real estate. Terms will be blended for mixed-use projects. For loans made toward a borrower's equity injection, the term shall be fifteen (15) years if an SBA 504 loan in the project is for a term of twenty (20) years. If an SBA 504 loan in the project is for a term of ten (10) years; the term shall be ten (10) years. However, in no case will the term of the TEAM loan exceed that of the other financing involved in the project.

### Equity Requirement

For existing businesses (more than two years of operations), borrower must provide a minimum of 5% of the project cost. For new businesses or those who have less than two years of operations, borrower must provide a minimum of 10% of the project cost. For loans made toward a borrower's equity injections, borrower must provide the difference between the minimum required equity injection as defined by the accompanying SEDA-COG loan provided in the project and the TEAM loan amount.

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### Job Criteria

One job to be created and/or retained for every \$65,000 of TEAM finds in the project within three years of disbursement. If the borrower is a manufacturer, one job is to be created and/or retained for every \$100,000 of TEAM funds in the project within three years of disbursement.

### Fees

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