



Pennsylvania Industrial Development Authority

SUMMARY: The Pennsylvania Industrial Development Authority (PIDA) provides low-interest loans through Certified Economic Development Organizations (CEDOs) for eligible businesses. PIDA funding may be used in conjunction with other private financing and/or public financing. Loan applications for PIDA financing must be submitted through a CEO.

CEDO: Franklin County Area Development Corporation (FCADC) is the CEO serving Franklin County, PA.

ELIGIBLE BUSINESSES: Applicants must be business enterprises whose project is currently located or will be located within the Commonwealth of Pennsylvania. Eligible businesses include:

- Agricultural Processor
- Industrial Enterprise
- Research & Development Enterprise
- Defense Conversion Enterprise
- Computer Related Service Enterprise
- Child Day-Care Enterprise
- Service Enterprise
- Agricultural Producer
- Manufacturing Enterprise
- Hospitality Enterprise
- Recycling Enterprise
- Construction Enterprise
- Mining Enterprise
- Developer

ELIGIBLE COSTS: Eligible project costs include land, building, and/or machinery & equipment.

FUNDING: The PIDA program finances a portion of total eligible projects costs.

- **REAL ESTATE LOANS** are eligible for up to \$2 Million or 50% of the total project cost, whichever is less. *(Projects located in a Keystone Opportunity Zone are eligible for up to \$2.5 Million.)*
- **MACHINERY & EQUIPMENT LOANS** are eligible for up to \$400,000 or 50% of the total project cost, whichever is less.

TERMS: Terms can be up to 15 years for land, building construction, acquisition, and/or renovations; and up to 10 years for machinery and equipment.

INTEREST RATES: Interest rates are set for each quarter. The current interest rates can be found on the back page.

JOB CREATION / RETENTION: Effective January 5, 2022, at least one full-time job must be created or retained for every \$75,000 borrowed. Production Ag is not subject to job requirements.

For more detailed information, please contact:

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Interest Rates

January 1, 2023 – March 31, 2023

Below are the updated 2022 third quarter interest rate options for qualifying PIDA loan applications. These rates are in effect for loan applications received through March 31, 2023.

For Real estate loans financing eligible land and building costs, borrowers will have the following interest rate options:

For term loans with a regular amortization;

1. Fixed interest rate for the full term of the loan (up to a 15-yr. period), set at the current 10-year treasury yield + 100 basis points. Based on the current 10-year treasury yield, the fixed rate option is 4.75% for the life of the loan.
2. Fixed interest rate for a seven (7) year period set at the 10-year treasury yield. After seven years, the rate will reset to the then-current 10-year treasury yield. Please note, the reset rate is limited to a 200 basis point increase/decrease. The reset rate is then fixed for the duration of the loan. Based on the current 10-year treasury yield, the rate for the initial (7) year period is 3.75%.

For 10-year term loans with a 20-year amortization period;

1. Fixed interest rate for the full term of the loan (10-yr. period). This option is calculated using the 10-year treasury yield +100 basis points. Based on the current 10-year treasury yield, the fixed rate option is 4.75% for the life of the loan.
2. Fixed interest rate for a five (5) year period set at the 10-year treasury yield. After five years, the rate will reset to the then-current 10-year treasury yield. Please note, the reset rate is limited to a 200 basis point increase/decrease. The reset rate is then fixed for the duration of the loan. Based on the current 10-year treasury yield, the rate for the initial (5) year period is 3.75%.

For Equipment loans – 4.75% fixed rate for the full term of the loan.

Job Creation/Retention Thresholds: Effective January 5, 2022, the PIDA Board of Directors discussed the policy and approved to increase the **threshold for projects requiring job retention / creation to \$75,000 loaned for every full-time job retained and \$75,000 loaned for every full-time job created.** This updated policy places an equal weight on the lending threshold for jobs retained and jobs created.

CONTACT INFORMATION:

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