



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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Pennsylvania Industrial Development Authority (PIDA)

Interest Rates

July 1, 2023 – September 30, 2023

Below are the updated **2023 third quarter** interest rate options for qualifying PIDA loan applications. These rates are in effect for loan applications received through September 30, 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%.

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.

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