



# 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**

**October 1, 2023 – December 31, 2023**

Below are the updated **2023 fourth quarter** interest rate options for qualifying PIDA loan applications. These rates are in effect for loan applications received through December 31, 2023.

For **Real Estate** loans **\$400,000 or less** – 5.00% fixed for the full term of the loan.

For **Real Estate** loans **\$400,001 - \$2,000,000**:

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 5.50% 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 4.50%.

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 5.50% 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 4.50%.

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For **Machinery & Equipment** loans – 5.50% 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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