

PROGRAM POLICIES

The revolving loan/grant portion of the Schuylkill Small Business Development Revolving Loan Program will be managed as follows:

- Approved applicants will be businesses of fifty or fewer employees who are in need of financial support to increase employment.
- Financial support will be limited to \$25,000 per applicant per project.
- Approved applicants must also meet all of the other requirements of the program, including participation in the business development phase of the program.
- Applicants must supply all supplemental and supportive documents as required, including but not limited to: business plan; financial statements; income & expense statements and income tax returns.
- A 1% commitment fee will be charged at loan closing.
- Legal, notary and filing fees will be the responsibility of the applicant.
- Loan interest rates varies. Call for current rate information.
- A 5% late fee will be imposed if monthly payments are received more than 15 days after the due date.
- Loan interest rates can be increased in the event of delinquency up to 2% after 90 days of delinquency.
- Minimum term loans will be 5 years. Loans can be for 10 year periods, but with a balloon payment at the end of the five year period.
- All loan terms and conditions must be approved by the Schuylkill Small Business Development Program Committee which will meet at the discretion of the Committee chair.
- Other conditions may be established by the Committee from time to time as deemed appropriate.

Business Network Partners

Entrepreneurial Success Center

Lehigh Carbon Community College

Northeastern Pennsylvania Alliance (NEPA)

Pottsville/Schuylkill Technology
Incubator, Inc. (PSTI)

Schuylkill Chamber of Commerce

Schuylkill Economic Development
Corporation (SEDCO)

Schuylkill County Economic Development

Schuylkill County Industrial
Development Authority (SCIDA)

Wilkes University Small Business Development Center (SBDC)



Funded by:

County of Schuylkill Community
Development Block Grant

Pennsylvania Department of
Community & Economic Development

An Equal Opportunity Program

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Schuylkill Small Business Development Revolving Loan Program



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Introduction

The Commissioners of Schuylkill County, in a continuing effort to attract and retain businesses in Schuylkill County that provide decent wages and stabilize our communities, have provided funds for an economic development loan program. This program is available County-wide and can be used by both new businesses and existing businesses that need assistance for expansion. Such businesses must be able to create jobs that will employ county residents. Loans can be made for the acquisition and rehabilitation, or new construction for non-residential properties, or purchase of equipment or machinery. Loans may not be used to refinance existing debt nor for working capital.

For additional information or a loan application package, contact:

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Revolving Loan Program
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Schuylkill County Economic Development Loan Project

Purpose: • To help business develop or expand • To create and/or retain jobs • To enhance the tax base
Area To Be Served: County-wide

Eligible Properties: Mixed use properties, commercial or industrial properties

Maximum Assistance: Financial assistance to anyone eligible shall be determined based on need. In no circumstance will the funds be used to finance more than 25% of the total project cost. The committee will determine the actual amount of the loan based on the application for assistance.

Terms of Loan: A flexible loan package will be arranged that meets the needs of the business. Loans may be deferred or amortized or used to write-down the interest on conventional financing. The term of the loan, however, shall not exceed 10 years.

Security For Loan: All loans will be secured by a mortgage on the property assisted with Economic Development funds. The loan may be subordinated to all private debt. However, the total debt secured by the property cannot exceed 100% of the fair market value of the property as determined by an appraisal.

Eligible Uses of Loan Funds:

1. Acquisition of the Property - provided the owner has secured other financial resources to make improvements.
2. Building Rehabilitation provided the following criteria are satisfied:
 - (a) Funds must be used to remedy code violations.
 - (b) Exterior and interior improvements to satisfy the needs of the business.
 - (c) All improvements to buildings that are more than 50 years old or that are historically significant must conform to the Secretary of the Interior's Guidelines for the Rehabilitation of Historic Properties.
3. New Construction.
4. Infrastructure - water and/or sewer lines, pre-treatment facilities and other infrastructure.
5. Purchase and installation of equipment and machinery

Ineligible Uses of Loan Funds:

- Refinance existing debt
- Soft costs such as title, recording, legal, architect, engineering, transfer taxes and insurance
- Working Capital

Application For Funds: All applicants must complete and sign a Program Loan Application. Evidence of site control and other supporting documents must accompany the application.

Applicants are required to provide other information that will assist the County in determining the need for funds not limited to pro-formas, Bank commitment letters, leases with tenants, title reports, appraisals, etc.

Other Requirements: The Schuylkill County Economic Development Loan Program is funded from time to time with State and Federal funds. Depending on the type of funds provided and available, borrowers may be obligated to comply with some or all of the following:

- Prevailing or federal Davis Bacon Wage Rates
- Section 3 Compliance
- Prohibition against Debarred Contractors
- Federal/State Conflict of Interest Requirements
- Anti-Lobbying Requirements
- Equal Opportunity Standards
- Creating jobs for persons of low and moderate income.