

Business Finance Assistance Program Mission Statement

- To help small, for-profit businesses:
 - Finance their expansion
 - Maintain and increase employment
 - Start-up operations
- To promote economic development within the nine-county region of southwestern Pennsylvania that we serve



Contact Information

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Small Business First

PURPOSE

- Provides low interest financing for land and building acquisition and construction, machinery and equipment purchases, and working capital to businesses unable to fully finance projects with their own equity, bank financing, or other private and public sources.





Small Business First, cont.

LOAN LIMITS

- \$200,000 or 50% of the total project cost, whichever is less
- \$100,000 for Working Capital

TERM

- 15 years – Land and Buildings
- 7-10 years – Machinery/Equipment
- 3 years – Working Capital



Small Business First, cont.

RATE

- Currently at 4.0% fixed, per annum

MATCHING FINANCING

- Private sector or equity match is required



Small Business First, cont.

ELIGIBLE USES

- Land, Building acquisition, construction, or renovation; Machinery and equipment purchases and upgrades (including installation costs) and working capital needs.



Small Business First, cont.

ELIGIBLE APPLICANT

- For profit manufacturing enterprises; Industrial enterprises; Agricultural processors; Mining enterprises; Export-related, advanced technology, and computer-related services; hotels, motels or restaurants (must be open at least five years and employ at least five full-time employees); Construction enterprises; Child day care facilities, Assisted Living facilities; Municipal or commercial recyclers; and U.S. Department of Defense-related projects; **Excluded Entities Include** all retail, service, or professional services not specifically listed above, *except in the event of a corporate headquarters.

Small Business First, cont.

COLLATERAL

- Loans are to be secured by a lien positions on collateral at the highest level of priority that can accommodate the borrower's ability to raise debt and equity capital.
- Generally, personal and corporate guarantees are required.





Small Business First, cont.

APPLICATION REQUIREMENTS

- Must have 100 or fewer full-time employees, including parent, subsidiaries and affiliates, at the time of application.

Small Business First, cont.

OTHER REQUIREMENTS

- Professionally prepared financial statements
- Past three years Federal Tax Returns.
- Commitment letters from all other sources of funding.
- Sufficient cash flow to meet the debt service.
- Creation or retention of one new full-time equivalent job for every \$25,000 borrowed, within three years of disbursement of the loan proceeds.
- Key person life insurance, in most instances, will be required.

