



START HERE. GROW HERE. STAY HERE.

We help manufacturers grow and succeed. Whether it's a new venture or an existing company interested in expansion or relocation, **AEDC** can assist you with resources - including site selection, financing and business incubation. Our goal is to increase local manufacturing jobs while revitalizing vacant and underutilized properties in the City of Allentown. As an independent 501(c)(3) nonprofit corporation, your business is our mission.

PENNSYLVANIA MINORITY BUSINESS DEVELOPMENT AUTHORITY REVOLVING LOAN FUND PROGRAM GUIDELINES

AEDC administers a Revolving Loan Fund Program for the Pennsylvania Minority Business Development Authority (PMBDA). Our objective is to stimulate the growth and expansion of minority owned businesses and create jobs in Northampton and Lehigh Counties, Pennsylvania.

ELIGIBLE BORROWERS:

- Borrowers must be **socially or economically disadvantaged** which may arise from cultural, racial or chronic economic circumstance, background or similar cause. Such persons include but are not limited to: African Americans, Native Americans, Hispanic Americans, Aleuts, Asian Americans, Asian Indians and Eskimos.
- The socially or economically disadvantaged applicant must own at least 51% of the business.

ELIGIBLE PROJECT COSTS:

- Machinery and equipment costs.
- Land costs for purchase, renovation or new construction.
- Building acquisition, construction, rehabilitation, engineering, architectural, legal and related costs.
- Working capital.

LOAN AMOUNTS:

- Up to 90% of eligible project cost, or \$250,000, whichever is less.
- Funds from other sources must be equal to or greater than 10% of eligible project costs.

LOAN STRUCTURE:

- 1st lien security interest on equipment purchases.
- 1st or 2nd mortgage on real estate (may be shared).
- Other unencumbered assets including assignment of contracts and/or personal guarantees must be available.

LOAN TERMS & RATES:

- Land/Buildings – Up to 15 years
 - Machinery/Equipment – Up to 10 years
 - Working Capital – Up to 3 years
- Rate fixed for term @ 2 - 8%, based on credit

LOAN FEES:

(Refundable if your application is rejected)

- \$300 application processing fee.
- Loan processing fee of 1% of the total loan amount.
- Legal and closing costs, which vary by case, but usually range from \$500 - \$1,000

APPROVAL CRITERIA:

Evidence the project will create one permanent full-time job, or equivalent part time job for every \$50,000 borrowed. Jobs must be created within three (3) years of closing. Borrower must agree: to report jobs created or retained to AEDC biannually; evidence of sufficient cash flow to repay and sufficient collateral; personal guarantee eligibility. All necessary municipal permits must be in place before project starts and all municipal taxes and fees (e.g. water and sewer) must be current.

For additional information, please contact:

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