



**PENNSYLVANIA MINORITY BUSINESS DEVELOPMENT AUTHORITY  
REVOLVING LOAN FUND PROGRAM GUIDELINES**

Allentown Economic Development Corporation administers a Revolving Loan Fund Program for the Pennsylvania Minority Business Development Authority (PMBDA). The purpose of the program is to stimulate the creation, retention and expansion of minority owned businesses and to create jobs in Pennsylvania.

**ELIGIBLE BORROWERS:**

- Minority members as defined by the PMBDA.
- Ownership interest must be 51% minority.
- Acceptable borrowers are those that fit in one of the following minority categories: African American, Native American, Puerto Rican, Spanish-speaking American, Aleuts, Asian, Pacific Americans, Asian Indians and Eskimos.

**ELIGIBLE PROJECT COSTS:**

- Acquiring machinery and equipment or equipment modernization
- Real estate improvements including leaseholder improvements, new building construction and building modernization.
- Working capital needs and Lines of Credit.

**LOAN STRUCTURE:**

- 1st lien security interest on machinery and equipment purchases.
- 1st or 2nd mortgage on real estate (may be shared position).
- Other unencumbered assets including assignments of contracts must be available to back the loan.

**LOAN AMOUNTS:**

- \$20,000 to \$50,000 for up to 75% of eligible project costs (subject to fund availability)

**LOAN TERMS:**

- 1-5 years, depending on asset life or lease term.
- Rates from 5.00% to 7.00% depending on creditworthiness, collateral position and size of loan.

**APPROVAL CRITERIA:**

Evidence of sufficient cash flow to repay and sufficient collateral; personal guarantees shall be required; any necessary municipal permits must be in place before project starts; and all municipal taxes and fees (e.g. water and sewer) must be current.

**LOAN FEES:**

- \$300.00 application plus all legal and closing costs.

For additional information, please contact Allentown Economic Development Corporation:

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