

Pennsylvania Industrial Development Authority (PIDA): COVID-19 Working Capital Assistance Fund (CWCA)

Updated: 03/24/2020

Lending Tool Summary:

In response to the economic environment brought on by the COVID-19 pandemic, the Pennsylvania Industrial Development Authority (PIDA) is making \$60 million in favorable working capital loans available to vulnerable, impacted businesses. PIDA loans are delivered throughout the Commonwealth of Pennsylvania through a network of Certified Economic Development Organizations (CEDO). Lancaster County's designated CEDO is EDC Finance Corporation, an affiliate of the Economic Development Company of Lancaster County.

PIDA Working Capital Loan Highlights:

Businesses with less than 100 full-time employees are eligible to apply.

- Up to a \$100,000 loan request to each small business to help them overcome temporary loss of revenue
 - o Applicants will need to verify that over the past 3 months they have spent an amount equal to their loan request on direct business expenses (payroll, utilities, rent, debt payments, inventory, etc.) up to the maximum \$100,000 loan amount;
 - o Retail and certain service-based businesses will need to show a 1:1 match on expenses over the past 6 months, meaning such businesses needed to verify they spent at least \$200,000 on direct business expenses in order to maximize the \$100,000 loan amount;
- **Term:** 3 year term; 12 year amortization; no payments for an initial 12 month payment deferral;
- **Interest Rate:** 0.00% fixed for businesses / 2.00% fixed for production agriculture;
- **Collateral:** Subordinate UCC filing on all business assets of the company behind any existing UCC filings;
- **Guarantees:** Personal or corporate guarantees are required for all 20%+ business owners;
- **Costs & Fees:** EDC and EDC Finance Corporation are leading economic development not-for-profit organizations serving Lancaster County. We are working to minimize our costs as much as possible to help impacted small businesses. Please stay tuned for further updates and guidance.
- **To Apply: As of March 24, 2020**

The application process is not yet open. The guidelines have been drafted, but the mechanics of applying and approving loans are a few days away. Information circulating to date is tied to actions taken by the state to make these funds available. Stay tuned to EDC updates and our websites for official information coming up.

- **What should I prepare while I wait for the application information to come available:**
 - o Summary of adverse impacts to the business, including date closed if applicable;
 - o W-9 forms completed for the borrowing company;
 - o Most recent 2 years of filed federal tax returns or accountant financial statements. If you have not filed your 2019 tax return yet, please also include an internal or Quickbooks type balance sheet and profit/loss statement for 2019;
 - o A summary of existing business debt, current balances, and required monthly payments;
 - o Personal financial information of business owners including personal assets and liabilities;