

URBAN MADE FINANCING



PA MINORITY BUSINESS DEVELOPMENT AUTHORITY REVOLVING LOAN FUND

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 case. 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 STRUCTURE:

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

APPROVAL CRITERIA

Evidence that the project will create one (1) 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 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.

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 FEES:

- \$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 between \$500 to \$1,500.

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



The AEDC PMBDA loan helped us grow our insurance business by helping me acquire and change our property to maximize our visibility and tailor it to better serve our clients. Thanks to the PMBDA program, we have hired more employees and helped even more families."

Rafael De La Hoz | Business Owner
State Farm Insurance