



COVID-19 Recovery Loan Program

The outbreak of COVID-19 in the Spring of 2020 caused economic hardship for many small businesses in the Southwestern Pennsylvania region, and the effects of the pandemic are still being felt by those businesses. In response, the Southwestern Pennsylvania Commission (SPC) is retooling their COVID-19 Recovery Loan program to assist businesses that may be experiencing hardship due to low workforce participation rates, and delays in the global supply chain.

Under this program, small businesses can apply for financing to help pay for current employee salaries, rent, utilities, and inventory purchases. SPC will examine the previous six months of payroll expenses for those applying to pay for current employee's salaries, and consider proof of other hardship by reviewing business tax returns and financials from unaffected years during the underwriting process.

Program Highlights

1. Maximum loan amount will be \$150,000 loaned to any one business at a time
2. The interest rate will be set no lower than 4% below or 75 percent of the prime interest rate listed in the Wall Street Journal.
3. Each loan carries a five-year term
4. Borrowers will be required to provide 50% matching financing/equity to be eligible for this loan program

Eligibility Requirements

1. An eligible borrower must be a private, for-profit business, organized as a proprietorship, partnership, or corporation conducting business from within the nine-county region served by SPC. Eligible businesses can operate in the retail, service, hospitality, commercial, industrial, manufacturing, warehousing, child care, advanced technology, or export services sectors. Eligible businesses must have 50 employees or less.
2. The business must show proof of hardship experienced as a result of the lingering effects of the COVID-19 pandemic of 2020. These hardships can be demonstrated by proof of failure to retain workers, or longer than ideal inventory cycles due to global supply chain issues.
3. Businesses must be able to operate and meet current debt service, as well as future debt service with the new SPC loan
4. Business must agree to retain one job for every \$75,000 borrowed. If the business is utilizing the loan to bolster their current workforce, they must agree to create one job for every \$75,000 borrowed

SPC's COVID-19 Recovery loans shall be secured via a lien on the business's accounts receivable. There is no loan to value requirement for the collateral offered.

Fees

A flat \$250 application fee will be due at closing, via a check made payable to the Southwestern Pennsylvania Corporation, and all legal fees will be the responsibility of the borrower.

There will be no servicing fee associated with these loans, and no prepayment penalty.

For more information please contact:

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