

Loan Program Information Data Sheet

Prepared by the Central PA Chamber of Commerce
A guide to understanding Chamber Business Assistance Programs

In keeping with the **Central PA Chamber of Commerce's** Vision:

To build upon our **100 year history** of successful economic growth and become **the resource** for all members of the central Pennsylvania Region to grow and stimulate their business to the fullest potential.

The **Central PA Chamber of Commerce** has revised and updated its loan policies and procedures and is re-introducing our business assistance loan programs. Our goal is to make available alternative options following a financial institution's loan work up, when it is determined that their client has a shortfall in funding. The **Central PA Chamber of Commerce** is in no way looking to compete with our area banks and credit unions. We do, however, want to aid financial institutions with ways to assist their customers when they are not able to meet their all of their needs. We are not a primary lender, nor are we a lender of last resort. These programs are intended to be a joint venture between our members, their bankers and the Chamber. This is meant to be the beginning of a new era of economic growth that will benefit **Central PA's** small businesses.

Central PA Chamber Business Assistance Loan Programs:

1. **Small Business Assistance Program:** Available to all commercial enterprises however the focus is on new and start-up businesses. Includes a mentoring component, recognizing the need for new/startup businesses to educate themselves about running and maintaining a business. Repayment can include an interest only period and is to be repaid monthly. Rates will be dependent upon current market rates.
2. **Deferred Rent Loans:** Similar to a line of credit, this type of loan is to help new/startup businesses defer a portion of their rental payments during their critical first six month period after opening or moving to a new location. The maximum total loan shall not exceed \$6,000. The loan term shall not exceed 60 months and is to be repaid monthly, beginning in the seventh month of occupancy. Rates will be dependent upon current market rates.
3. **Façade / Signage Loans:** A fixed rate loan up to \$ 5,000 with terms up to 60 months for façade improvements or commercial signage. Improvements and designs shall only be restricted to comply with current zoning and revitalization efforts that may already exist within certain districts or zones. This loan can be used as matching dollars for T.I.M.E. or other façade grant programs. Repayment is monthly and rates are dependent upon current market rates.
4. **Infrastructure Loans:** A fixed rate loan up to \$15,000 with terms up to 60 months. To be used for improvements and repair of the infrastructure serving commercial enterprises' business area. (Only available to owners of the property not lessees). The loan funds may be utilized to repair or improve utility services, heating/cooling systems, internal plumbing and electrical systems and sidewalks. These loans must be fully collateralized and are subject to complete project review and inspection of the improvements made. Repayment is monthly and rates are dependent upon current market rates.
5. **Gap (Collateralized) Loans:** To be used only in conjunction with a primary lender to provide additional monies for the purchase, renovation or expansion of an existing property. Loans will be fully secured through mortgages on the business and/or personal real estate. Repayment is monthly and rates are dependent upon current market rates.
6. **Medical Practice and/or Medical Equipment Purchase Loans:** To continue to encourage medical practitioners to locate to and/or take over existing medical practices within the Milton or Warrior Run School Districts*. These loans will be provided only in conjunction with a primary lender to provide additional monies for the purchase, renovation or expansion of an existing property. Loans will be fully secured through mortgages on the

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business and/or personal real estate. Repayment is monthly and rates are dependent upon current market rates. * At this time, these loans are restricted to these areas by the original donations that funded them.

Requirements: Assistance provided by the Chamber, at its sole discretion, is intended to support viable **member enterprises** possessing and utilizing sound management tools and plans. Accordingly, the Chamber will need the following basic information for all loans unless otherwise noted, for the review process to begin. Any financial documents required will be forwarded directly to one of our accounting firms for review, payment of which will be expected whether or not applicant receives loan approval.

- A cover letter detailing the proposed project, which should include the amount of funding being requested and the exact purpose for which it will be used.
- An application (either the Chamber's standard form or participating banks application form).
- A description of the business proposed for establishment, modernization or expansion.
- A candid description of the enterprise's prospects for success and a contingency plan in the event of enterprise failure.
- A description of the experience, education, and management capabilities of all principals.
- A current set of financial statements to include: balance sheet, profit/loss statement and tax returns.
- A detailed projection of earnings and expenses for a 3 year period, monthly for first year, annually for last two years.
- Current personal financial statements and tax returns of each owner with a more than 20% share of ownership.
- A listing of collateral offered to secure loan (current appraisal if real estate is offered must be less than 1 year old at time of request).

Fees: A non-refundable \$150 application fee must accompany all applications, except for Signage Loans, the fee is \$ 25.00. Borrowers pay all legal, recording, appraisal, loan review, accounting and documentation fees associated with these programs, with an estimate of loan closing costs to be provided as applicable by the Chamber's solicitor, E. Terry Baldwin.

Interest Rate Determination: Interest rates will be determined based on one of two methods. First using the PIDA (Pennsylvania Industrial Development Authority) Participation and Interest Rate Schedule + 2 % (i.e., if the PIDA rate is 4%, the Chamber's rate will be 6%) or second, will be matched to the participating banks' current interest rate and term. The Chamber will determine which method is used.

Applications and Notices that are associated with any of the Chamber's Loan programs are available either directly from the Chamber office or online at our website at:

http://www.centralpachamber.com/business_assistance.shtml

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