



ECONOMIC DEVELOPMENT

EMERGING BUSINESS GUARANTEE PROGRAM

BACKGROUND

The Emerging Business Guarantee Program was developed by PIDC with the support of the Commerce Department. United Bank, Valley Green Bank and East River Bank will be the first partners in this pilot phase of the program.

ELIGIBILITY

The Emerging Business Guarantee Program is available to any small business or nonprofit located or planning to locate in Philadelphia that is having difficulty accessing conventional financing.

USES

Funds will be eligible for a broad range of activities including lines of credit for working capital and term loans for machinery and equipment, renovations, new construction, and property acquisition.

FINANCING

PIDC will guarantee up to 50% of any loss of principal for participants. The maximum guarantee amount will be \$250,000 for loan amounts over \$500,000.

- Minimum Loan Amount: \$100,000
- Interest Rate & Term of Loan: Determined by the lender but subject to PIDC approval
- Duration of Guarantee: PIDC will guarantee a term loan for a maximum of five years and will guarantee a line of credit for one year with the option of annual renewal for a maximum of four renewals

APPROVED LENDING PARTNERS

United Bank of Philadelphia	Valley Green Bank	East River Bank
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TIMING & PROCEDURE

The application process starts when eligible borrowers apply to an approved lender for conventional financing. The approved lender can then submit a Guarantee Application and supporting documentation to PIDC. PIDC cannot consider a Guarantee Application unless it is submitted by an approved lender.

FEES

Term Loan: 1.75% of the guarantee amount provided through PIDC is due to PIDC upon loan closing.
Line of Credit: 1% of the guarantee amount provided through PIDC is due to PIDC upon loan closing. 0.75% of the guarantee amount provided through PIDC is due to PIDC upon renewal of a line of credit for a second year. PIDC shall charge a renewal fee of 0.5% of the guarantee amount to renew an existing line of credit for a third, fourth, and/or fifth year.

Fees are subject to change. Please confirm all transaction fees with PIDC prior to application.

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