

Pennsylvania Announces “Game-Changer” for Loan Program for Manufacturers and Industrial Firms

By Colin McEvoy on July 6, 2017



LVEDC VP of Finance, John Kingsley

The state of Pennsylvania has announced a limited-time interest rate incentive to encourage eligible manufacturers and industrial firms to make investments and grow jobs in the Commonwealth through the [Pennsylvania Industrial Development Authority](#) (PIDA) program.

A 2 percent interest rate will be fixed for the full term of the loan for any PIDA borrower whose loan application is received on or before December 31, 2017, according to

the [Pennsylvania Department of Community and Economic Development](#) (DCED). The [Lehigh Valley Economic Development Corporation](#) (LVEDC) administers PIDA and other financing programs. John Kingsley, LVEDC Vice President of Financing, said this is the lowest fixed rate the program has seen in more than two years.

“This is a game-changer for the program,” Kingsley said. “Two percent fixed-rate financing for real estate and machinery equipment for a term of up to 15 years is remarkable. You can’t get this anywhere else.”

The new 2 percent interest rate will last until Jan. 1, 2018 or until certain lending thresholds are met, after which interest rates will be set using a traditional spread above the 10-year treasury, according to the state.

The PIDA program, considered by many lenders to be Pennsylvania’s flagship economic development lending program, offers low-interest loans and lines of credit to eligible businesses that commit to creating and retaining full-time jobs.

For more information, contact the LVEDC Finance Department at 610-266-6775, or [fill out a Financial Inquiry form on the LVEDC website](#).

More than 150 Lehigh Valley companies have received PIDA loans with assistance from LVEDC or its affiliates.

For example, recently, Michelman Steel Enterprises was awarded a \$1.75 million PIDA loan to [acquire and renovate a 71,150 square-foot manufacturing facility](#) in Bethlehem, and [Everson Tesla](#) received a \$450,000 PIDA loan for a 10,290 square-foot addition to its current facility in Lower Nazareth Township.

“We have had great success with this program over the years and, with this rate reduction, if your company is expanding and looking to construct or acquire a new facility or you are adding new machinery and equipment to your operation, you need to consider the PIDA program,” Kingsley said. “At this rate, the program is simply a no-brainer.”

The new fixed rate announcement comes just three months after PIDA announced an increase in the lending limit for machinery and equipment loans funded by its Machinery Equipment Loan Fund (MELF) program. Lending was previously capped at \$400,000, but that cap has now been increased to \$1.5 million.

The PIDA program, among other incentive financing resources, is available through the [Lehigh Valley Lending Network](#), which offers a single point of entry to 16 local banks and lending institutions and more than 30 local, state, and federal business financing and incentive resources to eligible companies in the Lehigh Valley.