

COVID-19 WORKING CAPITAL ACCESS PROGRAM

Description

Pennsylvania Governor Tom Wolf announced that \$60 million in funding has been made available to provide working capital loans to small businesses located in the Commonwealth of Pennsylvania through the COVID-19 Working Capital Access Program (**CWCA**). The intent of the CWCA is to provide working capital to eligible Pennsylvania businesses. The CWCA is administered by the Pennsylvania Industrial Development Authority (**PIDA**).

It is anticipated that these funds will be in high demand. Demand will most likely exceed the funding available. Eligible small businesses in need of assistance should begin compiling the necessary paperwork and documentation to obtain funding immediately.

Who is eligible to receive it?

Businesses located in Pennsylvania having 100 or fewer full-time employees worldwide at the time of application are eligible to apply for a CWCA loan.

What can the loan be used for?

The CWCA loan proceeds must be used for operational working capital needs. The loan proceeds cannot be used to pay expenses relating to fixed assets or to acquire production machinery and equipment. In addition, the loan proceeds cannot be used for loan repayments, dividend distributions, financing a project located outside of the Commonwealth, or for future or projected costs.

What are the terms of the loan?

A CWCA loan has a three-year term. No payments are due during the first year. Principal and interest, if applicable, will be due monthly for years two and three, and a balloon payment will be due and payable at the end of the third year. Interest rates are 0%, except for agricultural producers, which loans will be subject to a fixed 2% rate during the life of the loan. No matching investment is required, except for retail/service enterprises, and there are no job retention or creation requirements. For retail/service enterprises, the CWCA program can finance 50% of eligible working capital costs up to \$100,000.

How to apply?

Loan applications are submitted to the Certified Economic Development Organization (**CEDO**) that services the county where the business is located (see the full list of CEDOs [here](#)). Applicants are required to provide a Project Narrative, Company Profile Sheet, W-9 Form, Certification Sheet, Debt Schedule, Cash Flow Analysis Statement, Personal Financial Statement, and other additional information, including financial statements and a credit report. The CEDO will review the application and forward completed applications to PIDA. Applicants will be responsible for direct costs associated with the application process, such as costs associated with obtaining a credit report and submitting financial filings.

Eligible small businesses in need of assistance should begin compiling the necessary paperwork and documentation immediately to obtain funding given the limited resources available.

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