

See full program guidelines and application at www.downtownchambersburgpa.com under the “Invest” section.

Call 264-7101 ext 207 or email npurdy@chambersburg.org with questions.

A program of
Downtown Chambersburg Inc.

717.264.7101 ext 207
100 Lincoln Way East
Chambersburg, PA 17201
www.downtownchambersburgpa.com

Revolving Loan Fund Program



Origins

- » originated from a grant from the Pennsylvania Department of Community and Economic Development (DCED) to the Borough of Chambersburg.
- » Borough loaned funds to Chambersburg Area Development Corporation (CADC) to build Heritage Center in 2004.
- » Principal and interest payments made by CADC to the Borough since 2005.
- » Over 30 year period will increase to more than \$250,000.

Intent

Fund provides capital for façade loans, building improvement loans and equipment purchase loans

Improvements

Improvement to retail and business service spaces may also include:

- » Interior shop partitioning & surface refinishing
- » Permanent counters & shelving
- » Electrical, lighting, HVAC and plumbing upgrades
- » Acquisition and installation of business fabrication equipment
- » Exterior fastened signage

Terms of loan

- » Maximum amount of \$25,000 or 50% of total project cost (not exceeding \$25,000)
- » Authorization over 10-year period, with a “call” provision in 5 years on unpaid principal and any unpaid interest in arrears
- » each loan collateralized by “personal guarantees” and the “property” being improved.
- » Interest rate determined by the Loan Review Committee
- » Borrower expected to make an equity contribution on the total project cost of at least 5%
- » Must be matched dollar for dollar with private funding
- » Shall take a subordinated lien position to conventional lenders
- » Principal and interest loan payments made to “Downtown Chambersburg, Inc. (DCI),” 100 Lincoln Way East, Suite A, Chambersburg, PA 17201

Guidelines

- » business must commence and be fully operational within a reasonable, agreed upon, time following settlement, as established by the Loan Review Committee.
- » borrower must allow for monitoring of the business progress, upon request, but no less often than annually; quarterly within the first 12 months of operation.

- » If borrower **relocates outside** the Downtown or Elm Street Neighborhood within **two** years, the loan must be **repaid within 60 days** of the business relocating, unless already repaid.

Applicant Eligibility

- » Commercial property or business owner within the Downtown Business District or Elm Street Neighborhood Revitalization Areas.
- » Must be current on all Borough, County, and School taxes.
- » Is willing to be an annual financially supporting member of the Downtown Partnership
- » Responsible for all settlement fees incurred during the processing and closing of the loan.
- » Understands that the DCI Loan Review Committee must approve the Loan prior to commitment of available funds.

Lending Fees

- **\$100 application fee**
- **1% annual loan servicing fee**
- **Closing and settlement costs**