AN ACT

Providing for forbearance on principal repayment on economic development loans during the COVID-19 crisis.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Short title.

This act shall be known and may be cited as the Department of Community and Economic Development Relief Act of 2020.

Section 2. Definitions.

The following words and phrases when used in this act shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Department." The Department of Community and Economic Development of the Commonwealth.

"Economic development loan." A Pennsylvania Industrial Development Authority loan existing on the effective date of this section.

"Small business." Any business currently issued an economic
development loan.

Section 3. Forbearance.

(a) General rule.--Notwithstanding any other provision of law to the contrary, the department may grant forbearance on principal repayment on economic development loans issued by the department to small businesses for a period of up to six months beginning on April 1, 2020.

(b) Payment status.--Any small business which chooses to elect forbearance shall be considered to have been current on payments during the forbearance period under subsection (a) so as to not negatively impact future requests for borrowing.

(c) Increased payments.--After forbearance under this section has ended, the department shall increase the monthly payment of the principal of an economic development loan at an amount sufficient to ensure that the economic development loan is paid off as scheduled.

(d) Original terms of loan.--Except as provided under subsections (a) and (c), the terms of an economic development loan accepted at origination shall not change as a result of forbearance under this section.

Section 4. Effective date.

This act shall take effect immediately.