

AN ACT

1 Amending Title 64 (Public Authorities and Quasi-Public
2 Corporations) of the Pennsylvania Consolidated Statutes, in
3 Commonwealth Financing Authority, further providing for
4 Second Stage Loan Program.

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

7 Section 1. Section 1553(a), (d)(2), (e)(1)(ii) and (f) of
8 Title 64 of the Pennsylvania Consolidated Statutes are amended
9 and subsection (d) is amended by adding a paragraph to read:

10 § 1553. Second Stage Loan Program.

11 (a) Establishment.--There is established a program to be
12 known as the Second Stage Loan Program. The program shall
13 provide loan guarantees to commercial lending institutions that
14 make loans to life sciences, advanced technology or
15 manufacturing businesses located within this Commonwealth.

16 * * *

17 (d) Application for guarantee.--A commercial lending
18 institution enrolled in the program authorized by this section

1 may submit an application to the authority for the guarantee of
2 a proposed loan. The application shall be on the form prescribed
3 by the board and shall include or demonstrate all of the
4 following:

5 * * *

6 (2) [The number of projected new or retained employees
7 of the borrower as a result of the loan.] A demonstration
8 that the use of the loan proceeds by the borrower will result
9 in jobs being created or retained within this Commonwealth
10 and an estimate as to the number of projected new or retained
11 employees as a result of the loan.

12 (2.1) A statement that the borrower's business is
13 located within the commercial lending institution's service
14 area within this Commonwealth.

15 * * *

16 (e) Application review.--

17 (1) The board shall review the application to determine
18 all of the following:

19 * * *

20 (ii) That the borrower's business has been in
21 existence for at least two years [but no more than seven
22 years] at the time of application.

23 * * *

24 (f) Limitations.--

25 (1) [During the first two years of the term of a loan
26 for which a guarantee certificate has been issued, the
27 guarantee may not exceed 50% of the outstanding principal
28 amount of the loan. From the end of year two through either
29 the end of year seven or the end of the term of the loan,
30 whichever occurs first, the guarantee may not exceed 25% of

1 the outstanding principal amount of the loan. The guarantee
2 will] The maximum guarantee amount and percentage shall be
3 determined by the authority and shall terminate at the end of
4 seven years.

5 (2) At no time may a guarantee exceed \$1,000,000 for any
6 one loan.

7 Section 2. This act shall take effect in 60 days.