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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 2425 Session of  
2020

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INTRODUCED BY TOOHIL, BARRAR, POLINCHOCK, BURGOS, SOLOMON,  
ROZZI, PICKETT, LEE, HILL-EVANS, WARREN, RYAN, READSHAW AND  
FRANKEL, APRIL 21, 2020

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REFERRED TO COMMITTEE ON COMMERCE, APRIL 21, 2020

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AN ACT

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

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

5 Section 1. Short title.

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

8 Section 2. Definitions.

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

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

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

17 "Small business." Any business currently issued an economic

1 development loan.

2 Section 3. Forbearance.

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

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

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

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

21 Section 4. Effective date.

22 This act shall take effect immediately.