



Machinery and Equipment Loan Fund (MELF)

ELIGIBILITY

MELF is available to any for-profit corporation, partnership, or proprietorship that is involved in industrial processes, manufacturing, mining or other industrial sectors, information technology, biotechnology and medical facilities.

USES

- ◇ Acquisition of machinery and equipment
- ◇ Installation of machinery and equipment
- ◇ Upgrade of machinery and equipment

FINANCING

MELF may lend up to 50% of the eligible cost of project or a maximum level of \$5,000,000, whichever is less.

A project must create or preserve one full-time job for each \$25,000 of loan proceeds received. After disbursement of loan funds, recipient has 3 years to fulfill the job creation requirement. A full-time job is equivalent to 1,950 hours of employment per year.

The maximum loan term is 10 years or the useful life of the asset whichever is less.

Matching private lending sources must have either equivalent or longer terms than the MELF loan.

The current interest rate for MELF financing is 3.0%.

TIMING AND PROCEDURE

Client submits the PA Single Application form with appropriate attachments directly to the PA Department of Community and Economic Development.

PIDC may submit the application on behalf of the client.

The applicant may place orders for, or make security deposits on, machinery and equipment prior to Commerce Department approval without prejudicing the review for application. However, the applicant will proceed at his or her own risk. The machinery and equipment may not be installed or used prior to approval by the Commerce Department.

FEES

The Pennsylvania Department of Community and Economic Development charges a loan fee of 1% of the approved loan amount. The fee is an eligible MELF project cost.

PIDC will negotiate a fee for assistance in the preparation of the MELF application. The minimum fee is \$500.

Fees are subject to change. Please confirm all transaction fees with PIDC prior to application