MontcoForward Loan Program (MFL) Interest Rates

MFL interest rates are adjusted quarterly following any changes to the PIDA rates. The rates quoted below are minimum interest rates; at the discretion of the Redevelopment Authority of Montgomery County (MCRDA) a loan may be approved with a higher than minimum interest rate based on the application review and loan collateral.

- Participation Loans – 4.25% - Borrowers working with a bank, credit union, and/or CDFI may apply for up to 50% of project costs (up to $1 million) for eligible costs per the program guidelines.

- Sole-Lender Loans – 4.95% - Borrowers may apply for up to 80% of project costs (up to $500,000) for eligible project costs per the program guidelines.

- Agriculture Loans – 4.75% - Borrowers working with Agriculture lenders may apply for up to 50% of project costs (up to $1 million) for eligible project costs per the program guidelines.

- Housing Affordability Loans – 4.75% - Borrowers developing multi-tenant housing with an affordability component may apply for up to 50% of project costs (up to $1 million) per the program guidelines.

Pennsylvania Industrial Development Authority (PIDA) Interest Rates

PIDA rates are set quarterly and communicated to the MCRDA at the beginning of each calendar year quarter. Final determination of interest rates and other loan parameters is at the discretion of PIDA. These rates are in effect for loan applications received through June 30, 2024.

- For Traditional PIDA Real Estate Loans financing eligible land and building costs, borrowers will have the following interest rate options:

  For term loans with a regular amortization;

  1. **Fixed interest rate for the full term of the loan (up to a 15-yr. period), set at the current 10-year treasury yield + 100 basis points.** Based on the current 10-year treasury yield, the fixed rate option is 5.25% for the life of the loan.

  2. **Fixed interest rate for a seven (7) year period set at the 10-year treasury yield.** After seven years, the rate will reset to the then-current 10-year treasury yield. Please note, the reset rate is limited to a 200 basis point increase/decrease. The reset rate is then fixed for the duration of the loan. Based on the current 10-year treasury yield, the rate for the initial (7) year period is 4.25%.

For 10-year term loans with a 20-year amortization period;

  1. **Fixed interest rate for the full term of the loan (10-yr. period).** This option is calculated using the 10-year treasury yield +100 basis points. Based on the current 10-year treasury yield, the fixed rate option is 5.25% for the life of the loan.

  2. **Fixed interest rate for a five (5) year period set at the 10-year treasury yield.** After five years, the rate will reset to the then-current 10-year treasury yield. Please note, the reset rate is limited to a 200 basis point increase/decrease. The reset rate is then fixed for the duration of the loan. Based on the current 10-year treasury yield, the rate for the initial (5) year period is 4.25%.
Pennsylvania Industrial Development Authority (PIDA) Interest Rates Continued...

- For PIDA-MELF Equipment Loans – 5.25% fixed rate for the full term of the loan.
- For Export Finance Working Capital and Accounts Receivable Lines of Credit – 5.00% fixed rate for 12 month period.
- For Pollution Prevention and Energy Efficiency Loans – 2.00% fixed rate for the full term of the loan.
- For PIDA-SBF account loans - 5.00% fixed rate for the full term of the loan. Currently, a reset interest rate will not be available for real estate loans funded under the PIDA-SBF account as statutorily, there is an interest rate ceiling that does not allow the interest rate to exceed 5.00%.
  - PIDA-SBF account loans are real estate, equipment, and/or working capital loans to eligible agricultural processors, agricultural producers, industrial enterprises, manufacturing enterprises, research and development enterprises, hospitality enterprises, defense conversion enterprises, recycling enterprises, computer-related service enterprises, construction enterprises, and child day-care enterprises, whereas the loan amount is $400,000 or less and the eligible enterprise has 100 or fewer full-time employees worldwide at the time of application submission.
- For PIDA-CED account loans - 5.00% fixed rate for the full term of the loan. Currently, a reset interest rate will not be available for real estate loans funded under the PIDA-CED account as statutorily, there is an interest rate ceiling that does not allow the interest rate to exceed 5.00%.
  - PIDA-CED account loans are real estate, equipment, and/or working capital loans to eligible retail and service enterprises located in an eligible distressed area, whereas the loan amount is $200,000 or less and the eligible enterprise has 100 or fewer full-time employees worldwide at the time of application submission.