AMENDMENTS TO SENATE BILL NO. 1257

Sponsor:

Printer's No. 1579

Amend Bill, page 1, line 3, by inserting after "Statutes,"

further providing for revolving loan program accounts; repealing First Industries Program and Second Stage Loan Program;

Amend Bill, page 1, line 5, by inserting after "Development;"

providing for First Industries Program, for Second Stage Loan Program and for transfer from Commonwealth Financing Authority to Liberty Financing Authority for First Industries Program and Second Stage Program;

Amend Bill, page 39, lines 9 through 17, by striking out all of said lines and inserting

Section 2. Section 1542(b) of Title 64 is amended to read:
§ 1542. Revolving loan program accounts.
* * *
[(b) The First Industries Program account.--The authority shall establish an account for the program established in section 1552 (relating to First Industries Program). Proceeds of bonds issued to fund the First Industries Program, any moneys received as loan repayments or in repayment or recovery of loan guarantees under the program, or moneys otherwise made available to the program, shall be deposited in the account and made available for additional planning grants or loans or used for additional loan guarantees as provided in section 1552, subject to the provisions of any pledge to or agreement made by the authority with obligees of the authority.]
Section 3. Section 1552 of Title 64, amended June 30, 2011 (P.L.193, No.27), is repealed:
[§ 1552. First Industries Program.
(a) Establishment.--There is established a program to be known as the First Industries Program. The program shall provide financial assistance for projects related to tourism and agriculture located within this Commonwealth. The board shall allocate funds made available to the program among the different methods of financing authorized in this section.
(b) Applications for planning grants.--An applicant may

submit an application to the authority requesting a planning grant in an amount not to exceed $250,000 for the costs of predevelopment activities and feasibility studies for a project related to tourism or agriculture. The application shall be on the form required by the board and shall include or demonstrate all of the following:

(1) The applicant's name and address.

(2) The location of the project.

(3) A description of the project.

(4) An estimate of the cost of the predevelopment activities and feasibility studies and the goal to be achieved by carrying out the proposed activities or studies.

(5) A statement of the amount of the planning grant sought.

(6) Any other information required by the board.

(c) Review and approval of planning grant applications.--

(1) The board shall review the application to determine that the project demonstrates one or more of the following:

(i) The project will have a demonstrable impact on the economy or well-being of the neighborhood, community or region where the project will be located.

(ii) The project will promote research and development efforts leading to increased commercialization or utilization of farm commodities.

(iii) The project will result in environmentally friendly or energy efficient operations related to agriculture, including projects authorized by the act of December 12, 1994 (P.L.888, No.128), known as the Agricultural By-Product Management Technology Act.

(iv) The project will result in more cost-effective and efficient marketing of regional assets related to tourism or agriculture.

(v) The project will result in a substantial increase in revenues for the Commonwealth or the host municipality.

(vi) The project proposes to utilize Commonwealth-owned natural resources for public/private development of tourism.

(2) Upon being satisfied that the requirements of paragraph (1) have been met, the board may approve the application, and, if approved, the authority shall award a planning grant.

(3) Copies of all reports and studies prepared with planning grant funds shall be filed with the authority and shall be made available to any person upon request.

(d) Loans to applicants.--If the department approves an application for a loan under the programs established in 12 Pa.C.S. Ch. 23 (relating to small business first) or 29 (relating to machinery and equipment loans), the department may request that the authority finance the loan. Upon being satisfied that the project is related to agriculture or tourism,

the board may approve the request, and, if approved, the authority shall award a loan. Loans made under this subsection shall be administered by the department. Payments received shall be forwarded to the authority and credited to the account established in accordance with section 1542(b) (relating to revolving loan program accounts).

(e) Loan guarantees.--

(1) An applicant may request a guarantee for a loan to be made by a commercial lending institution or community development financial institution to assist with the financing of a project related to tourism or agriculture. The applicant may be the commercial lending institution or community development financial institution applying on behalf of a borrower. The application must be on the form required by the board and must include or demonstrate all of the following:

(i) The applicant's name and address. If the applicant is a commercial lending institution or community development financial institution, the borrower's name and address.

(ii) A description of the project.

(iii) A statement describing the anticipated economic impact to the Commonwealth and the host municipality as a result of the project.

(iv) A description of the proposed project financing, including terms, conditions and the collateral or security required for the loan for which the guarantee is being requested.

(v) A copy of the applicant's last two years of financial statements prepared or reported on by an independent certified public accountant. If the applicant is a commercial lending institution or a community development financial institution, a copy of the borrower's last two years of financial statements prepared or reported on by an independent certified public accountant.

(vi) The amount of the loan guarantee that is being requested.

(vii) The total project cost and the identification of all sources of capital for the project.

(viii) Any other information required by the board.

(2) The board shall review the application to determine all of the following:

(i) (A) Except as set forth in clause (B), that the project has been awarded a planning grant under this section or that at least $1,000,000 of private funds are being invested in the project.

(B) Beginning on the effective date of this paragraph through July 15, 2015, that the project has been awarded a planning grant under this section or that at least $500,000 of private funds are being

invested in the project.

(ii) That the value of the proposed collateral is sufficient to cover the full amount of the loan.

(iii) That the applicant complied with all other criteria established by the board.

(3) Upon being satisfied that all requirements have been met, the board may approve the guarantee, and, if approved, the authority shall execute a guarantee agreement in favor of the commercial lending institution or community development financial institution stating the terms and amounts of the guarantee. Except as provided in paragraph (3.1), the guarantee may not exceed 50% of the outstanding principal amount of the loan or $2,500,000 at any point in time, whichever is less. In addition to any other terms and conditions required by the board, the guarantee agreement shall provide for all of the following:

(i) The procedure for the submission by the commercial lending institution or community development financial institution of a claim for payment. This procedure shall require that the commercial lending institution or community development financial institution demonstrate that it has exhausted all available remedies against the borrower, other guarantors and collateral before seeking payment under the agreement.

(ii) A requirement that a percentage of any moneys recovered subsequent to the payment of a claim by the authority be remitted to the authority.

(iii) Periodic reporting requirements by the commercial lending institution or community development financial institution regarding itself and regarding the loans which have been awarded guarantees under this section.

(3.1) Beginning on the effective date of this paragraph through July 15, 2015, a guarantee of 51% to 90% of the principal amount of the loan to assist with the financing of a project related to agriculture may be awarded by the board. The guarantee shall be subject to a one-time fee of 2% of the amount of the loan multiplied by the percentage of the guarantee.

(3.2) The amount of a guarantee under this subsection, if any, shall be set at the discretion of the board based upon its determination of the potential financial risk to the Commonwealth.

(4) The board may establish a subcommittee composed of one or more board members and department staff to supervise the progress of projects for which loan guarantees have been awarded under this section.

(e.1) Limitation.--A Farm Credit Institution under the Farm Credit Act of 1971 (Public Law 92-181, 85 Stat. 583) shall only be permitted to participate in the First Industries Program

established under this section and may not participate in any other loan guarantee program established under this chapter.

(e.2) Sunset.--After July 15, 2015, no Farm Credit Institution under the Farm Credit Act of 1971 shall be eligible for any loan guarantees under this chapter.

(f) Limitations.--

(1) No more than $10,000,000 of the funds available for the program authorized by this section may be used for planning grants awarded under subsection (c).

(2) At least two-thirds of the funds available for the program authorized by this section shall be used for financing of projects related to agriculture.]

Section 4. Section 1553 of Title 64 is repealed:

[§ 1553. Second Stage Loan Program.

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

(b) Application for enrollment.--A commercial lending institution may apply for enrollment in the program authorized by this section. The application shall be on the form prescribed by the board and shall include or demonstrate all of the following:

(1) The name and address of the commercial lending institution and the name and title of the individual who will serve as the point of contact for the commercial lending institution.

(2) A statement defining the service area of the commercial lending institution.

(3) A statement describing the commercial lending activities engaged in by the commercial lending institution and how the institution intends to expand those activities as a result of its participation in the program authorized by this section.

(4) Any other information required by the board.

(c) Enrollment approval.--Upon being satisfied that all requirements have been met, the board may enroll the commercial lending institution in the program authorized by this section, and, if enrolled, the authority shall execute a master guarantee agreement in favor of the commercial lending institution. In addition to any other terms and conditions required by the board, the master guarantee agreement shall provide for the following:

(1) The procedure for the submission of a claim for payment by the commercial lending institution. This procedure shall require that the commercial lending institution demonstrate that it has exhausted all available remedies against the borrower, other guarantors and collateral for the loan before seeking payment under the agreement.

(2) A requirement that a percentage of any moneys

recovered by the commercial lending institution subsequent to any payment made under the master guarantee agreement by the authority be remitted to the authority.

(3) Periodic reporting requirements by the commercial lending institution regarding itself and regarding the loans for which guarantee certificates have been issued under this section.

(d) Application for guarantee.--A commercial lending institution enrolled in the program authorized by this section may submit an application to the authority for the guarantee of a proposed loan. The application shall be on the form prescribed by the board and shall include or demonstrate all of the following:

(1) The name and address of the borrower, the type of business the borrower conducts, the location and age of the business and the names and addresses of the principals of the borrower.

(2) The number of projected new or retained employees of the borrower as a result of the loan.

(3) A copy of the borrower's last two years of financial statements prepared or reported on by an independent certified public accountant.

(4) A statement describing the purpose of the loan, the requested amount of the loan, a copy of the commercial lending institution's commitment letter and applicable credit underwriting that supports the repayment of the loan, as well as the collateral and other guarantees offered by the borrower to support the loan.

(5) Any other information required by the board.

(e) Application review.--

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

(i) That the borrower owns and operates a life sciences, advanced technology or manufacturing business.

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

(iii) That the borrower is financially responsible and has the ability to repay the loan.

(iv) That the use of loan proceeds by the borrower will result in jobs being created or retained within this Commonwealth.

(v) That the borrower's business is located within the commercial lending institution's service area and within this Commonwealth.

(vi) That the borrower and the commercial lending institution have met all other requirements established by the board.

(2) Upon being satisfied that all requirements have been met, the board may approve the guarantee, and, if approved, the authority shall issue a guarantee certificate for the

loan to the commercial lending institution stating the terms and amount of the guarantee.

(3) The board may establish a subcommittee composed of one or more members of the board and staff of the department to review and approve applications for guarantees under this section.

(f) Limitations.--

(1) During the first two years of the term of a loan for which a guarantee certificate has been issued, the guarantee may not exceed 50% of the outstanding principal amount of the loan. From the end of year two through either the end of year seven or the end of the term of the loan, whichever occurs first, the guarantee may not exceed 25% of the outstanding principal amount of the loan. The guarantee will terminate at the end of seven years.

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

Section 5. Title 64 is amended by adding a chapter to read:

Amend Bill, page 40, line 7, by striking out "liberally" and inserting

prudently

Amend Bill, page 40, line 12, by striking out "liberally" and inserting

prudently

Amend Bill, page 40, line 13, by striking out "legislative and public purposes as" and inserting

public policy

Amend Bill, page 40, line 22, by striking out "or otherwise" and inserting

and

Amend Bill, page 41, line 1, by inserting after "industrial," manufacturing,

Amend Bill, page 41, line 4, by striking out "global economy may also" and inserting

global and United States economies may

Amend Bill, page 41, lines 7 and 8, by striking out "these economic " in line 7 and "purposes" in line 8 and inserting

economic development within its borders

Amend Bill, page 41, line 12, by inserting after "improve"

and efficiency and transparency will increase

Amend Bill, page 41, line 14, by striking out ", keeping those that perform"

Amend Bill, page 41, lines 15 and 16, by striking out "remaining programs will increase " in line 15 and "efficiency and transparency" in line 16 and inserting

successful programs that remain

Amend Bill, page 41, line 17, by striking out "fund" and inserting

disburse the money for

Amend Bill, page 43, line 22, by striking out "institutions" and inserting

institution

Amend Bill, page 44, lines 11 through 23, by striking out all of said lines

Amend Bill, page 45, lines 12 and 13, by striking out "No more than 10% of " in line 12 and all of line 13

Amend Bill, page 45, lines 16 through 23, by striking out all of said lines

Amend Bill, page 45, lines 28 through 30; page 46, lines 1 through 6, by striking out all of said lines on page 45, all of lines 1 through 5 and "(2)" in line 6 on page 46 and inserting

(1)

Amend Bill, page 46, line 11, by striking out "(3)" and inserting

(2)

Amend Bill, page 46, by inserting between lines 12 and 13

"Economic development organization." A community development

financial institution, an industrial development agency or a local development district that is certified by the authority as possessing the qualifications necessary to evaluate and approve applications to the authority for financial assistance.

Amend Bill, page 47, line 23, by striking out "industrial development agency" and inserting

economic development organization

Amend Bill, page 48, lines 7 through 16, by striking out all of said lines and inserting

"Industrial park project." A project sponsored by an economic development organization for the purpose of creating sites for the establishment of two or more industrial development projects.

Amend Bill, page 48, line 28, by striking out "Any" and inserting

A project sponsored by an economic development organization involving the acquisition or construction of any

Amend Bill, page 48, lines 29 and 30, by striking out ", facility or undertaking acquired or constructed by an " in line 29 and "industrial development agency" in line 30 and inserting

or facility

Amend Bill, page 49, line 19, by striking out "the Commonwealth Financing Authority,"

Amend Bill, page 52, line 8, by striking out "A for-profit" and inserting

An

Amend Bill, page 52, lines 14 through 16, by striking out all of said lines and inserting

"Tourism." Any activity that promotes or encourages individuals or a group of individuals to travel to a location within this Commonwealth to engage in an activity or service for pleasure that is unavailable at home.

Amend Bill, page 52, line 18, by inserting after "a" where it occurs the first time

host operating system

Amend Bill, page 52, line 20, by striking out "small"

Amend Bill, page 52, line 30, by striking out "Limitation" and inserting

Operation, service and maintenance of a project or property

Amend Bill, page 53, lines 10 through 17, by striking out "in an amount which " in line 10, all of lines 11 through 16 and "indebtedness" in line 17

Amend Bill, page 53, line 17, by striking out "20" and inserting

30

Amend Bill, page 55, line 23, by striking out "Three" and inserting

Seven

Amend Bill, page 55, line 24, by striking out "two members" and inserting

one member

Amend Bill, page 56, line 19, by inserting after "officers"

of the board

Amend Bill, page 57, lines 12 and 13, by striking out "The authority shall provide liability " in line 12 and all of line 13 and inserting

(j) Definition.--As used in this section, the term "member" means an individual who serves on the board under subsection (a) as a public official or an individual from the private sector.

Amend Bill, page 57, line 20, by inserting a period after "bylaws"

Amend Bill, page 57, lines 20 through 24, by striking out "and guidelines for each program listed " in line 20 and all of lines 21 through 24 and inserting

(4) Adopt and publish guidelines for each program listed in Subchapter E as proposed by the department and for the certification of economic development organizations. Guidelines shall include applicable policies and procedures, program criteria, application requirements and any other necessary and relevant information.

(5) Certify on an annual basis those economic development organizations that possess the qualifications necessary to evaluate and approve applications to the authority for financial assistance.

Amend Bill, page 58, lines 18 and 19, by striking out ", including the name of a contact person for the " in line 18 and "recipient" in line 19

Amend Bill, page 60, by inserting between lines 11 and 12

(9.1) Impose interest rate penalties on borrowers who fail to fulfill commitments regarding job creation or retention, private investment and site location.

Amend Bill, page 60, lines 26 through 28, by striking out "Certify industrial development agencies in " in line 26 and all of lines 27 and 28 and inserting

(Reserved).

(13.1) Provide interest revenue-sharing on a quarterly basis to the originating economic development organization on loans sponsored by the economic development organization to offset administrative expenses and the cost of fulfilling certification obligations.

Amend Bill, page 61, line 3, by striking out "or" and inserting

and

Amend Bill, page 63, lines 8 through 19, by striking out all of said lines and inserting

Before a new policy or a change of policy takes effect, the board shall first approve it by a vote.

§ 1715. Operation, service and maintenance of a project or property.

The authority shall not approve an application or finance a project if it would be required to operate, service or maintain the project. The authority may operate, service or maintain a property in foreclosure or default.

Amend Bill, page 66, line 27, by inserting after "to"

State or local

Amend Bill, page 68, line 11, by striking out ", trust agreements" and inserting

and trust agreements and issuance of bonds

Amend Bill, page 68, line 12, by striking out "A" and inserting

(a) Provisions.--A

Amend Bill, page 71, by inserting between lines 9 and 10

(b) Issuance of bonds.--Bonds may be issued under one or more separate resolutions or trust agreements. A series of bonds may be separately secured from another series of bonds under the resolutions or trust agreements.

Amend Bill, page 73, by inserting between lines 14 and 15

(7) The First Industries Account.
(8) The Second Stage Loan Guarantee Account.

Amend Bill, page 73, line 21, by striking out "(relating to programs)"

Amend Bill, page 73, line 24, by inserting after "accounts."

Separate subaccounts may be established in each program account for purposes of pledging funds in the subaccounts to secure specific bonds and other obligations of the authority.

Amend Bill, page 74, line 6, by striking out "made to industrial development agencies"

Amend Bill, page 75, by inserting between lines 6 and 7

1757. First Industries Program.
1758. Second Stage Loan Guarantee Program.

Amend Bill, page 75, line 9, by inserting after "chapter"

must be prepared with the assistance of a certified economic development organization that shall approve the application before it is submitted to the authority and

Amend Bill, page 76, lines 15 through 18, by striking out "A statement that notification of the project has " in line 15, all of lines 16 and 17 and "project is located" in line 18 and inserting

(Reserved)

Amend Bill, page 76, lines 21 and 22, by striking out "Proof that the applicant has secured any required " in line 21 and "planning and permit approvals for the project" in line 22 and inserting

(Reserved)

Amend Bill, page 76, line 26, by striking out "such"

Amend Bill, page 77, line 17, by striking out "any"

Amend Bill, page 78, line 7, by inserting after "loan"

, loan guarantee

Amend Bill, page 79, lines 17 through 30; page 80, lines 1 through 6, by striking out all of said lines on said pages

Amend Bill, page 82, line 3, by striking out "shall" and inserting

may

Amend Bill, page 83, line 29, by striking out "shall" and inserting

may

Amend Bill, page 85, line 18, by striking out "shall" and inserting

may

Amend Bill, page 85, line 24, by striking out "to industrial development agencies"

Amend Bill, page 85, line 26, by inserting after "projects"

sponsored by industrial development agencies

Amend Bill, page 85, line 30; page 86, line 1, by striking out "to an industrial development " in line 30 on page 85 and "agency" in line 1 on page 86

Amend Bill, page 86, lines 6 and 7, by striking out "project

will be owned by, sold or leased to " in line 6 and "an owner, buyer or tenant which" in line 7 and inserting

borrower

Amend Bill, page 86, lines 11 through 14, by striking out "There will be sufficient income from any sales " in line 11, all of lines 12 and 13 and "repayment of the loan made pursuant to this paragraph" in line 14 and inserting

(Reserved)

Amend Bill, page 86, lines 15 and 16, by striking out "industrial development agency or the " in line 15 and "owner, buyer or tenant" in line 16 and inserting

borrower

Amend Bill, page 86, lines 20 and 21, by striking out "industrial development agency, owner, buyer or " in line 20 and "tenant" in line 21 and inserting

borrower

Amend Bill, page 86, lines 23 through 27, by striking out "The industrial development agency or the owner, " in line 23, all of lines 24 through 26 and "project" in line 27 and inserting

(Reserved)

Amend Bill, page 87, line 1, by striking out "industrial development agency" and inserting

borrower

Amend Bill, page 87, line 2, by striking out "second" and inserting

subordinate

Amend Bill, page 87, line 11, by striking out "to an industrial development agency"

Amend Bill, page 87, lines 14 through 17, by striking out

"The industrial development agency must provide at " in line 14, all of lines 15 and 16 and "subordinate lien on the project" in line 17 and inserting

(Reserved)

Amend Bill, page 87, line 21, by striking out "industrial development agency" and inserting

borrower

Amend Bill, page 88, lines 5 and 6, by striking out "to an industrial development " in line 5 and "agency" in line 6

Amend Bill, page 88, line 6, by striking out "40%" and inserting

50%

Amend Bill, page 88, lines 9 through 12, by striking out "The industrial development agency must provide at " in line 9, all of lines 10 and 11 and "project" in line 12 and inserting

(Reserved)

Amend Bill, page 88, line 16, by striking out "industrial development agency" and inserting

borrower

Amend Bill, page 88, line 17, by inserting after "mortgage"

or participation in a first mortgage

Amend Bill, page 88, line 19, by striking out "40%" and inserting

50%

Amend Bill, page 88, line 22, by striking out "30%" and inserting

40%

Amend Bill, page 89, lines 12 through 14, by striking out "industrial development " in line 12 and all of lines 13 and 14 and inserting

borrower, proposed guarantors and any other party whose credit is significant to the approval of the loan

Amend Bill, page 89, lines 17 through 19, by striking out "industrial " in line 17, all of line 18 and "applicable," in line 19 and inserting

borrower

Amend Bill, page 90, line 26, by striking out "$5,000,000 or"

Amend Bill, page 90, line 27, by striking out ", whichever is less"

Amend Bill, page 91, line 13, by striking out "shall" and inserting

may

Amend Bill, page 92, line 1, by striking out ", and" and inserting

who

Amend Bill, page 92, by inserting between lines 10 and 11

§ 1757. First Industries Program.

(a) General purpose.--The First Industries Program shall provide financial assistance for projects related to tourism and agriculture located within this Commonwealth.

(b) Loans.--The First Industries Program shall provide loans to businesses involved in tourism and agriculture that would otherwise satisfy the requirements for a loan under section 1751 (relating to Small Business First Program), 1752 (relating to Community Economic Development Program) or 1755 (relating to Machinery and Equipment Loan Fund Program).

(c) Loan guarantees.--An applicant may request a guarantee for a loan to be made by a commercial lending institution or community development financial institution to assist with the financing of a project related to tourism or agriculture.

(d) Application.--In addition to the requirements listed in section 1750(b) (relating to programs generally), the application shall include the following:

(1) A description of the proposed project financing, including terms, conditions and the collateral or security required for the loan for which the guarantee is being requested.

(2) A copy of the borrower's last two years of financial statements prepared or reported on by an independent certified public accountant.

(e) Terms and limitations.--

(1) A guarantee made under this section may not exceed 50% of the outstanding principal amount of the loan or $2,500,000 at any point in time, whichever is less.

(2) No less than $500,000 of private funds must be invested in the project.

(3) In addition to any other terms and conditions required by the authority, the guarantee agreement shall provide for the following:

(i) The procedure for the submission by the commercial lending institution or community development financial institution of a claim for payment. This procedure shall require that the commercial lending institution or community development financial institution demonstrate that it has exhausted all available remedies against the borrower, other guarantors and collateral before seeking payment under the agreement.

(ii) A requirement that a percentage of any moneys recovered subsequent to the payment of a claim by the authority be remitted to the authority.

(iii) Periodic reporting requirements by the commercial lending institution or community development financial institution regarding itself and the loans that have been awarded guarantees under this section.

§ 1758. Second Stage Loan Guarantee Program.

(a) General purpose.--The Second Stage Loan Guarantee Program shall provide loan guarantees to commercial lending institutions that make loans to life sciences, advanced technology or manufacturing businesses located in this Commonwealth.

(b) Application for enrollment.--A commercial lending institution may apply for enrollment in the program authorized by this section. The application shall be in the form required by the authority and, in addition to the requirements listed in section 1750(b) (relating to programs generally), shall include the following:

(1) The name and address of the commercial lending institution and the name and title of the individual who will serve as the point of contact for the commercial lending institution.

(2) A statement defining the service area of the commercial lending institution.

(3) A statement describing the commercial lending activities engaged in by the commercial lending institution and how the institution intends to expand those activities as a result of its participation in the program authorized by this section.

(c) Enrollment approval.--Upon approval of an application for enrollment, the authority shall execute a master guarantee agreement in favor of the commercial lending institution. In

addition to any other terms and conditions required by the authority, the master guarantee agreement shall provide for the following:

(1) The procedure for the submission of a claim for payment by the commercial lending institution. The procedure shall require that the commercial lending institution demonstrate that it has exhausted all available remedies against the borrower, other guarantors and collateral for the loan before seeking payment under the agreement.

(2) A requirement that a percentage of any moneys recovered by the commercial lending institution subsequent to any payment made under the master guarantee agreement by the authority be remitted to the authority.

(3) Periodic reporting requirements by the commercial lending institution regarding itself and regarding the loans for which guarantee certificates have been issued under this section.

(d) Application for guarantee.--A commercial lending institution enrolled in the program authorized by this section may submit an application to the authority for the guarantee of a proposed loan. The application shall be in the form required by the authority and, in addition to the requirements listed in section 1750(b), shall include the following:

(1) A demonstration that the use of loan proceeds by the borrower will result in jobs being created or retained within this Commonwealth, and an estimate as to the number of projected new or retained employees as a result of the loan.

(2) A statement that the borrower's business is located within the commercial lending institution's service area and within this Commonwealth.

(3) A copy of the borrower's last two years of financial statements prepared or reported on by an independent certified public accountant.

(4) A statement describing the purpose of the loan, the requested amount of the loan, a copy of the commercial lending institution's commitment letter and applicable credit underwriting that supports the repayment of the loan, as well as the collateral and other guarantees offered by the borrower to support the loan.

(5) Certification that the borrower's business has been in existence for at least two years at the time of application.

(6) Demonstration that the borrower is financially responsible and has the ability to repay the loan.

(e) Limitations.--

(1) The guarantee may not exceed 50% of the outstanding principal amount of the loan, and shall terminate at the end of seven years.

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

Amend Bill, page 92, line 17, by striking out "(Reserved)" and inserting

Transfer from Commonwealth Financing Authority to Liberty Financing Authority for First Industries Program and Second Stage Program

Amend Bill, page 94, by inserting between lines 5 and 6

(4) Sections 1552 (relating to First Industries Program) and 1553 (relating to Second Stage Loan Program).

Amend Bill, page 97, line 23, by striking out "(Reserved)." and inserting

Transfer from Commonwealth Financing Authority to the Liberty Financing Authority for the First Industries Program and Second Stage Loan Program.

On the effective date of this chapter, the trust accounts established by the Commonwealth Financing Authority under sections 1541 (relating to trust accounts) and 1542(b) (relating to revolving loan program accounts) for the First Industries Program and the Second Stage Loan Program shall be transferred to and vested in the authority without further act or deed.

Amend Bill, page 102, line 27, by inserting after "without"

limitation

Amend Bill, page 103, line 3, by striking out "4" and inserting

6

Amend Bill, page 103, line 9, by striking out "5" and inserting

7

Amend Bill, page 104, line 1, by striking out "6" and inserting

8

Amend Bill, page 104, line 10, by striking out "2" and inserting

1

Amend Bill, page 104, line 24, by striking out "3" and inserting

1

Amend Bill, page 104, by inserting after line 30

(3) The addition of 64 Pa.C.S. §§ 1731(7), 1757 and 1772 is a continuation of 64 Pa.C.S. §§ 1542(b) and 1552. Except as otherwise provided in 64 Pa.C.S. § 1731(7), 1757 or 1772, all activities initiated under 64 Pa.C.S. §§ 1542(b) and 1552 shall continue and remain in full force and effect and may be completed under 64 Pa.C.S. §§ 1731(7), 1757 and 1772. Orders, regulations, rules and decisions which were made under 64 Pa.C.S. §§ 1542(b) and 1552 and which are in effect on the effective date of sections 2 and 3 {64 Pa.C.S. §§ 1542(b) and 1552} of this act shall remain in full force and effect until revoked, vacated or modified under 64 Pa.C.S. § 1731(7), 1757 or 1772. Contracts, obligations and collective bargaining agreements entered into under 64 Pa.C.S. §§ 1542(b) and 1552 are not affected nor impaired by the repeal of 64 Pa.C.S. §§ 1542(b) and 1552.

(4) The addition of 64 Pa.C.S. §§ 1731(8), 1758 and 1772 is a continuation of 64 Pa.C.S. § 1553. Except as otherwise provided in 64 Pa.C.S. § 1731(8), 1758 or 1772, all activities initiated under 64 Pa.C.S. § 1553 shall continue and remain in full force and effect and may be completed under 64 Pa.C.S. §§ 1731(8), 1758 and 1772. Orders, regulations, rules and decisions which were made under 64 Pa.C.S. § 1553 and which are in effect on the effective date of section 4 {64 Pa.C.S. § 1553} of this act shall remain in full force and effect until revoked, vacated or modified under 64 Pa.C.S. § 1731(7), 1757 or 1772. Contracts, obligations and collective bargaining agreements entered into under 64 Pa.C.S. § 1553 are not affected nor impaired by the repeal of 64 Pa.C.S. § 1553.

Amend Bill, page 105, line 1, by striking out "7" and inserting

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Amend Bill, page 105, line 17, by striking out "6" and inserting

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Amend Bill, page 106, line 6, by striking out "8" and inserting

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Amend Bill, page 106, line 18, by striking out "6(2)" and inserting

8(2)

Amend Bill, page 107, line 3, by striking out "9" and inserting

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Amend Bill, page 107, line 14, by striking out "6(4)" and inserting

8(4)

Amend Bill, page 107, line 29, by striking out "10" and inserting

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