

## Summary

- Out of PCED's net available fund (approximately \$386,000), \$50,000 will be earmarked to use as matching funds and/or job incentives
- \$16,000 will be earmarked for special projects, i.e. Catholic College Proposal
- Interest received from all deposits and loans will be credited to PCED's General Operating Fund
- The new program will be known as PCED Challenge Loan Fund
- There must be an originating lender/participant (lead bank). Bank participation must be at a minimum of 30% and they should set the term limit
- Maximum amount that can be borrowed from PCED is \$100,000
- Interest rate will be set at under prime with a floor of 3% and maximum of 6%
- PCED Challenge Loan can be used to pay off other loans if the purpose was to restructure for a position of financial stability, **not** as operating capital. The funds could also be used to capital facilities, infrastructure or equipment
- Job creation/retention **must** be a factor.
- ¼% servicing fee to lead bank for administration of loan. (Example: Prime 5.75%, PCED participation 4.75% less ¼% to lead bank)
- Lead bank shall abstain from voting on any Challenge Loan Application