



News for Immediate Release

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Corbett Administration Reduces DCED Interest Rates to Spark Economic Growth and Job Creation

Harrisburg – To address a key recommendation of the Governor’s Manufacturing Advisory Council (GMAC) the Department of Community and Economic Development (DCED) today announced that it has reduced the interest rates of five business loan programs to encourage new economic growth and job creation.

“Governor Tom Corbett’s pro-growth policies are leading to resurgence in manufacturing in Pennsylvania,” DCED Secretary C. Alan Walker said. “This new initiative makes a bold statement that Pennsylvania is committed to growing our businesses, promoting job creation, and improving the economic base of our communities.”

In December, DCED lowered the interest rates for the Machinery and Equipment Loan Fund, the Small Business First Program, the Pollution Prevention Assistance Program and the Export Financing Program from 2.75 percent to 1.50 percent. Additionally, the Pennsylvania Industrial Development Authority (PIDA) approved lowering its interest rates to 1.50 percent.

PIDA and DCED will also waive its fees charged to the borrowers. The new rates will initially be in place for applications received through March 31, 2013.

The GMAC report sent to Gov. Corbett and the General Assembly in August outlined 15 key recommendations, including the need to improve access to capital. The council identified that 45 percent of small manufacturers accessed debt capital in 2010 and that 78 percent of small manufacturers are negatively affected by a lack of access to capital.

“Access to capital is a critical component of any successful manufacturer,” Walker said. “By reducing interest rates and the cost of borrowing, we are encouraging new growth through providing critical access to capital and freeing up operating cash to support new job creation.”

Walker announced the new initiative during a visit to PRL Industries. The company is one of four subsidiaries of PRL Inc., all of which are located in Lebanon County, and provide high specification castings and machining services to a variety of markets, including the defense and nuclear industries.

PRL Inc. President Janis Herschkowitz serves on the GMAC and is one of 24 council members ranging from a cross-section of manufacturing interests including heavy machinery, minerals, pharmaceuticals, plastics, steel and textiles. The council, supported by Team Pennsylvania Foundation, also includes three members of manufacturing trade associations and one from the Industrial Resource Center.

"The governor and I appreciate PRL Inc.'s commitment to the council," Walker said. "The Corbett administration has already taken the first steps to address the council's recommendations and we look forward to working with the members of GMAC and the General Assembly to grow manufacturing jobs in Pennsylvania."

For more information about DCED and other Jobs First PA initiatives, visit newPA.com/jobs1st or call 1-866-466-3972.

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