



**OFFICE OF THE GOVERNOR
COMMONWEALTH OF PENNSYLVANIA**

Governor's Press Office ♦ Room 308, North Office Building ♦ Harrisburg, PA 17120 ♦ 717-783-1116 (Phone) ♦ 717-772-8462 (Fax)

EDWARD G. RENDELL, Governor

FOR IMMEDIATE RELEASE:
January 12, 2005

CONTACT: Kate Philips
717-783-1116

**GOVERNOR RENDELL AND DCED/BANKING SECRETARIES
ANNOUNCE PARTNERSHIP WITH SOVEREIGN BANK FOR
SMALL BUSINESSES**

HARRISBURG: Governor Edward G. Rendell was joined by Department of Community and Economic Development (DCED) Secretary Dennis Yablonsky and Banking Secretary William Schenck today to announce that Pennsylvania is partnering with Sovereign Bank to offer up to \$250 million in loans to the Commonwealth's entrepreneurs and growing businesses through the new Pennsylvania Small Business Growth Lending Program. Effective immediately, Sovereign Bank will provide loans ranging from \$250,000 to \$2.5 million throughout 2005 for companies with less than \$10 million in annual revenues. Interest rates offered will be below market rates.

"Sovereign Bank shares my continuing goal to create new jobs and opportunities for Pennsylvanians, which makes for an ideal partnership" said Governor Rendell. "This commitment to offer up to \$250 million in loans at below market interest rates will further strengthen my economic stimulus plan by boosting job creation and retention in the Commonwealth. This program echoes my unwavering goal of energizing our economy and establishing Pennsylvania as a formidable economic leader."

To help Governor Rendell revive the state's economy, Sovereign Bank's goal is to focus on small businesses, which create more than two out of three new jobs nationally and promote diversity and economic advancement. The Pennsylvania Small Business Growth Lending Program will offer tailored, flexible repayment terms and amortization options, including extended terms for real estate and interest-only payment options for one year. There are no pre-payment penalties.

The Pennsylvania Small Business Growth Lending Program through Sovereign Bank will be an important part of the Governor's economic stimulus plan and will be coordinated through the Department of Community and Economic Development. The program will also be administered in partnership with local Chambers of Commerce throughout Pennsylvania.

"This is a significant investment for a state-headquartered bank and I commend Sovereign for their commitment to the businesses and people of the Commonwealth," said DCED Secretary Yablonsky. "This is yet another example of how the Commonwealth is able to attract the private

sector into our programs and our projects by making targeted, proactive investments in our communities and businesses.”

“This program supports Governor Rendell’s initiative to promote economic development with banks around the state,” said Secretary of Banking Schenck. “Through this new program, Sovereign Bank, the second largest bank headquartered in Pennsylvania with \$60 billion in assets, is demonstrating its significant commitment to small businesses around the state, who create jobs for many of our citizens.”

“By working together, Sovereign, the Commonwealth and the Chambers of Commerce in our local communities are providing an innovative and effective way to make capital available to small businesses,” said Sovereign CEO, Jay Sidhu.

The Small Business Growth Lending Program will work concurrently with other site preparation, infrastructure and business investment programs in Governor Rendell’s economic stimulus package: Business in Our Sites; Tax Increment Financing Guarantee Program; First Industries Fund; PennWorks; Building PA; New PA Venture Guarantee Program; New PA Venture Capital Investment Program; 2nd Stage Loan Program; Core Industries; and the Infrastructure & Facilities Improvement Program.

For more information on the Small Business Growth Lending Program visit www.sovereignbank.com. For more information on the stimulus programs through the Department of Community and Economic Development, visit www.newPA.com, or call 1-866-GO-NEWPA (1-866-466-3972).

###