COVID-19
Economic Relief Package
NJEDA initiatives aimed at stabilizing and revitalizing local small businesses, mid-size businesses, and startups or other early-stage companies

April 21, 2020
We have developed our economic stability approach around three core principles

1. **Get funding into the market as soon as possible**
   - Where possible, adjust existing NJEDA programs to address crisis needs
   - Utilize multiple channels / partners to maximize marketing of programs and minimize processing capacity constraints

2. **Leverage private, federal, and philanthropic capital** where possible to scale impact

3. **Provide a suite of compatible offerings to help address varied marketplace needs**
   (e.g., grants, no-cost loans, low-cost loans, loans through intermediaries, technical assistance)
COVID-19 Economic Relief Package

- SMALL BUSINESS EMERGENCY ASSISTANCE GRANT PROGRAM
- SMALL BUSINESS EMERGENCY ASSISTANCE LOAN PROGRAM
- PROGRAMS TO MOBILIZE CAPITAL TO MICRO-, SMALL, & MEDIUM-SIZED BUSINESSES
  - CDFI First Loss Reserve Fund
  - Emergency Assistance Guarantee
  - Entrepreneur Support Program
- NJ TECHNICAL ASSISTANCE SUPPORT
- CREDIT FLEXIBILITY TO SUPPORT BUSINESSES
Operating expense grants of up to $5K to small businesses with 1-10 FTE in highly impacted industries

Business Eligibility

- Industries, as determined by NAICS code:
  - Retail
  - Accommodation & Food Service
  - Arts, Entertainment, & Recreation, Repair & Maintenance; Personal & Laundry Services
  - (Eligible NAICS codes that start with 44, 45, 71, 72, 811, 812)
- Non-profit entities in the above industries are permitted to receive grant funding if they also have the following designations: 501(c)(3), 501(c)(4), and 501(c)(7)
- Must certify to negative impact of emergency

- Physical commercial location in NJ
- Must be registered to do business in New Jersey
- Department of Labor good standing
- 1-10 FTE per Company’s 2019 4th Quarter NJ-WR30 filing with the Department of Labor; visit our grant award estimator to help determine your FTE: https://cv.business.nj.gov
- Must fill out and certify simplified debarment legal questionnaire

NJEDA Program Size

$5M
(initial wave)

Launched April 3 – Funds Exhausted
SMALL BUSINESS EMERGENCY ASSISTANCE LOAN PROGRAM

Up to $100K working capital loans for up to 10 years for businesses with $5 million or less in revenue; 0% for years 1-5; 1-3% for years 6-10.

Business Eligibility

- $5M or less annual revenue
- Physical commercial location in New Jersey
- At least 1 year in existence
- Must be registered to do business in New Jersey
- Minimum Global Debt service ratio of 1.0 based on the year prior to the declaration of emergency
- Tax Clearance; Department of Labor good standing
- Minimum Credit Score of 600 for at least one guarantor
- Must show negative impact of emergency (e.g., closure, reduced hours, 20% revenue drop, 20%, etc.)
- Additional conditions may apply
- Must fill out and certify simplified debarment legal questionnaire

NJEDA Program Size
$10M
(initial wave)

Launched April 13th – Funds Exhausted
PROGRAMS TO MOBILIZE CAPITAL TO MICRO-, SMALL, & MEDIUM-SIZED BUSINESSES

CDFI First Loss Reserve Fund
$10M capital reserve fund for first-loss position, up to 50%, on CDFI loans that provide low/no-interest loans to micro and small businesses

Eligibility
- Federally-certified, NJ-based CDFI
- Have the operational and financial capacity to use the guarantee effectively
- Have significant experience working with underserved business segments and in communities underserved by other banks
- Must fill out and certify simplified debarment legal questionnaire

CDFI Loans that are guaranteed must:
- Be to an impacted business
- Be focused on working capital
- Not exceed $75,000
- Have an interest rate of 3.75% or less
- Not exceed a term of five years
- Provide flexible loan structures

NJEDA Program Size
$10M (initial wave)
PROGRAMS TO MOBILIZE CAPITAL TO MICRO-, SMALL, & MEDIUM-SIZED BUSINESSES

NJEDA-Approved COVID-19 CDFI Partners:
Support for organizations providing technical assistance to COVID-19 Impacted Small Businesses Applying for SBA Funding Programs

This assistance includes, but is not limited to, preparing financial information, packaging application documentation, and completing and submitting the on-line or paper-based application.

- African American Chamber of Commerce of New Jersey (AACCNJ)
- New Jersey State Veterans Chamber of Commerce
- Rising Tide Capital
- Statewide Hispanic Chamber of Commerce of New Jersey (SHCCNJ)

NJEDA Program Size

$150K (initial wave)
CREDIT FLEXIBILITY TO SUPPORT BUSINESSES

Ability to provide flexible terms to portfolio customers impacted by COVID 19

Expanded delegations to provide quick cash flow relief and to facilitate business access to funding for working capital to continue operations and employment in New Jersey through:

- Payment Moratoria
- Loan Maturity Extensions
- Subordinations
- Fee Waivers
Loans to Support Small NJ Businesses

**Micro Business Loan**
- Up to $50,000 for working capital or equipment
- Low interest/flexible terms

**Small Business Fund**
- Small businesses: Up to $500,000
- Not-for-profits: Up to $500,000 with 1.0X historical debt service coverage

**Direct Loan**
- Up to $2 million for fixed assets
- Up to $750,000 for working capital

**ELIGIBILITY**
- For-profit registered New Jersey business
- Annual revenue less than $1.5 million
- 10 or less full-time employees
- Start-Ups eligible (see application for details)

**ELIGIBILITY**
- Must be in operation for at least one full year
- Not-for-profits for at least three full years
- Annual revenue less than $3 million

**ELIGIBILITY**
- Create/Retain one full-time job for every $65,000 within two years

Please visit [NJEDA.COM/MICROBUSINESSLOAN](http://NJEDA.COM/MICROBUSINESSLOAN) for more information.

Please visit [NJEDA.COM/SMALLBUSINESSFUND](http://NJEDA.COM/SMALLBUSINESSFUND) for more information.

Please visit [WWW.NJEDA.COM/DIRECTLOANS](http://WWW.NJEDA.COM/DIRECTLOANS) for more information.

Additional eligibility requirements and standard underwriting practices will apply. Visit NJEDA.com for more information.
Additional Resources

NEW JERSEY COVID-19 BUSINESS INFORMATION HUB
Search for information on COVID-19 and its impact on businesses.

EMERGENCY ASSISTANCE ELIGIBILITY WIZARD
See what support programs are available to you to help stabilize your operations and get back on a pathway to growth.

GRANT AWARD SIZE ESTIMATE CALCULATOR
Get an early estimate of your potential grant award size based on information you submitted on your Q4 2019 NJ WR-30

NEW JERSEY COVID-19 JOBS AND HIRING PORTAL
Businesses across New Jersey need thousands of workers for immediate hire. Learn more about who is hiring in your community.

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