

## COVID-19

# Economic Relief Package

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NJEDA initiatives aimed at stabilizing and revitalizing local small businesses, mid-size businesses, and other early-stage companies

March 31, 2020



# We have developed our economic stability approach around three core principles

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## 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
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## 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)

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# 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

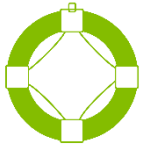


## NJ TECHNICAL ASSISTANCE SUPPORT



## CREDIT FLEXIBILITY TO SUPPORT BUSINESSES

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# 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.**

## **NJEDA Program Size**

**\$10M**  
(initial wave)

### **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



# 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

## NJEDA Program Size

**\$10M**  
(initial wave)

### 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



# PROGRAMS TO MOBILIZE CAPITAL TO MICRO-, SMALL, & MEDIUM-SIZED BUSINESSES

## Emergency Assistance Guarantee

\$100,000 Maximum guarantee, 50% guarantee of working capital loans, take first loss position; no fees

## NJEDA Program Size

**\$10M**  
(initial wave)

### Business Eligibility

- Must work through a Premier Lender bank or Premier CDFI
- \$5M or less in revenue
- Physical commercial location in NJ
- At least 1 year in existence
- All industries eligible
- Must show negative impact of emergency (e.g., closure, reduced hours, 20% revenue drop, supply chain disruption, etc.)
- Must fill out and certify simplified debarment legal questionnaire
- Tax Clearance; Department of Labor good standing
- Non-profits are eligible



# PROGRAMS TO MOBILIZE CAPITAL TO MICRO-, SMALL, & MEDIUM-SIZED BUSINESSES

## NJ Entrepreneur Support Program

Provide 80% loan guarantees for working capital loans to start-up entrepreneurs

## NJEDA Program Size

**\$5M**

(initial wave)

## Eligibility

- Must be NJ-based start-up company (registered to do business, C-suite in the State)
- Under \$5M in revenue; under 25 people
- Investors have already provided funding in the form of a convertible note, safe or equity interest.
- Investor does not need to be NJ-based
- Align with the Governor's Economic Plan
- Must fill out and certify simplified debarment legal questionnaire
- Tax Clearance; Department of Labor good standing
- Minimum of 50% of employees in NJ



# NJ TECHNICAL ASSISTANCE SUPPORT

**Support for organizations providing technical assistance to COVID-19 Impacted Small Businesses Applying for SBA Funding Programs**

## **NJEDA Program Size**

**\$150K**  
(initial wave)

**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)**





# 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

# Businesses Served

Programs for Micro-Businesses	Programs for Small Businesses	Programs for Medium Businesses
▶ SMALL BUSINESS EMERGENCY ASSISTANCE GRANT PROGRAM	▶ SMALL BUSINESS EMERGENCY ASSISTANCE LOAN PROGRAM	▶ EMERGENCY ASSISTANCE GUARANTEE PROGRAM
▶ CDFI FIRST LOSS RESERVE FUND	▶ EMERGENCY ASSISTANCE GUARANTEE PROGRAM	▶ CREDIT FLEXIBILITY TO SUPPORT BUSINESSES
▶ EMERGENCY ASSISTANCE GUARANTEE PROGRAM	▶ NJ ENTREPRENEUR SUPPORT PROGRAM	▶ SMALL BUSINESS EMERGENCY ASSISTANCE LOAN PROGRAM
▶ NJ ENTREPRENEUR SUPPORT PROGRAM	▶ NJ TECHNICAL ASSISTANCE SUPPORT	
▶ NJ TECHNICAL ASSISTANCE SUPPORT	▶ CREDIT FLEXIBILITY TO SUPPORT BUSINESSES	
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Visit [cv.business.nj.gov](http://cv.business.nj.gov) to see what support programs are available to help stabilize your operations and get back on a pathway to growth.

**1-800-JERSEY7**

# Additional Resources

## NEW JERSEY COVID-19 BUSINESS INFORMATION HUB

Search for information on COVID-19 and its impact on businesses.

## EMERGENCY ASSISTANCE ELIGIBILITY WIZARD

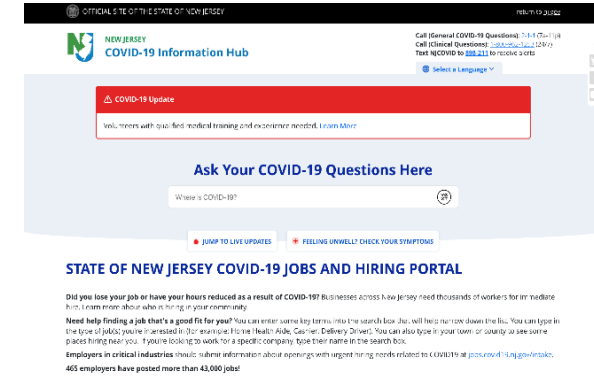
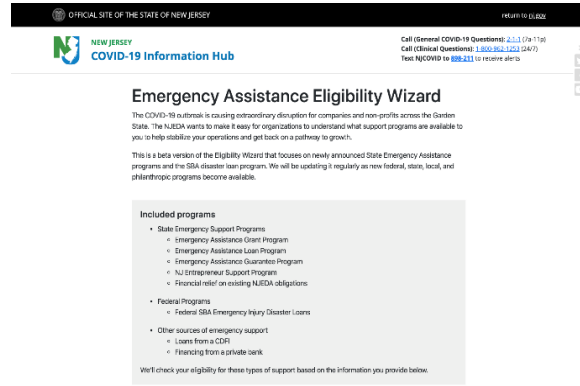
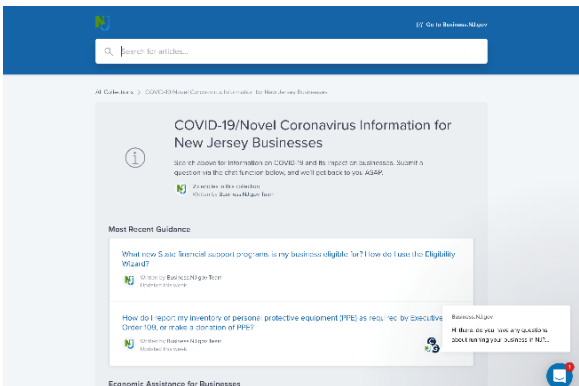
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## GRANT AWARD SIZE ESTIMATE CALCULATOR

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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