

COVID-19

Economic Relief Package

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

April 9, 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
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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)

COVID-19 Economic Relief Package



SMALL BUSINESS EMERGENCY ASSISTANCE GRANT PROGRAM- *(released 4/3)*



SMALL BUSINESS EMERGENCY ASSISTANCE LOAN PROGRAM- *(Release date: 4/13/20)*



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



SMALL BUSINESS EMERGENCY ASSISTANCE GRANT PROGRAM

**Operating expense grants of up to \$5K
to small businesses with 1-10 FTE
in highly impacted industries**

NJEDA Program Size

\$5M

(initial wave)

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 <https://forms.business.nj.gov/grant-size/> to estimate your FTE
- Must fill out and certify simplified debarment legal questionnaire



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
- Minimum Global Debt service ratio of 1.0 based on the year prior to the declaration of emergency
- 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 to see what support programs are available to help stabilize your operations and get back on a pathway to growth.

1-800-JERSEY7

NEW JERSEY COVID-19 BUSINESS INFORMATION HUB

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

EMERGENCY ASSISTANCE ELIGIBILITY WIZARD

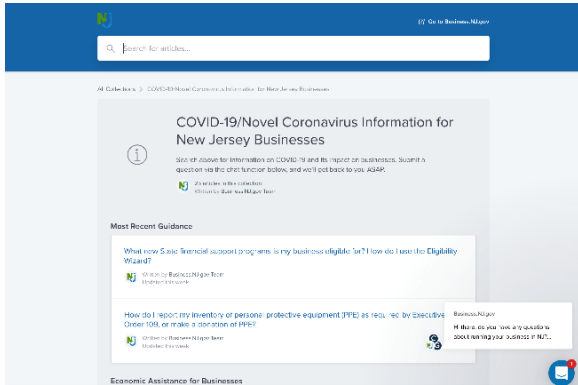
See what support programs are available to you to help stabilize your operations and get back on a pathway to growth.

GRANT AWARD SIZE ESTIMATE CALCULATOR

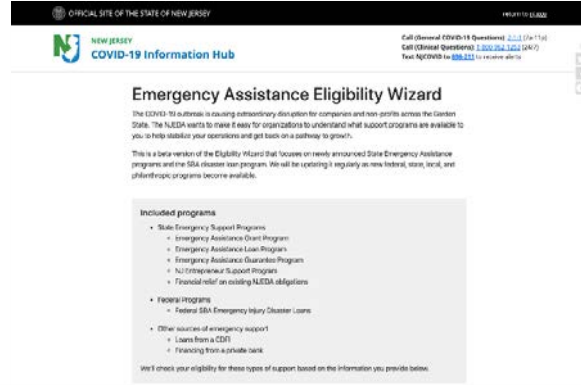
Get an early estimate of your potential grant award size based on information you submitted on your Q4 2019 NJ WR-30

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.



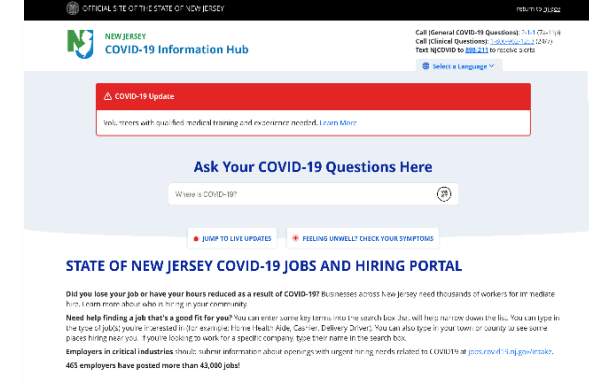
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