NJEDA
ECONOMIC DEVELOPMENT AUTHORITY

MEDIA CONTACT
media@njeda.com

PRESS RELEASE

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June 9, 2020

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NJEDA EXPANDS MICRO BUSINESS LOAN PROGRAM

Expanded program provides loans up to $50,000 to businesses with ten or fewer employees

TRENTON, N.J. (June 9, 2020) – The New Jersey Economic Development Authority (NJEDA) today announced an expansion of its Micro Business Loan Program to assist New Jersey small businesses, many of which are facing business interruption as a result of COVID-19. The expanded program will provide financing up to $50,000 for micro businesses and nonprofits with ten or fewer employees and no greater than $1.5 million in annual revenues. More information about the enhanced program is available at www.njeda.com/microbusinessloan.

"Micro businesses are a vital component of New Jersey's economy, providing unique services and employment opportunities, but because of their size, many of these businesses have had a particularly difficult time responding to the challenges COVID-19 poses," said NJEDA Chief Executive Officer Tim Sullivan. "The expanded program will ensure more businesses have access to the resources they need to survive the current crisis and return to full strength soon."

The NJEDA launched the Micro Business Loan Program in November 2019. The expanded program will provide financing up to $50,000 to businesses for inventory, equipment, and working capital. Loans will have a standard ten-year term. Interest rates will be set at 2 percent with no interest and no payment due for the first three years. Businesses that receive financing under the enhanced program and are still in operation 12 months after the closing date of the loan will have ten percent of the approved loan amount forgiven.

The expanded Micro Business Loan Program is open to for-profit businesses with a business location in New Jersey, as well as home-based businesses and not-for-profit organizations that have been in operation for at least two years. Startup businesses, defined under the program as business in operation between six months and one year, may also be eligible for the program,

but will be required to provide a business plan and five-year projections at application. To ensure resources are available to the micro businesses that the program is designed to serve, eligibility will be limited to businesses that have annual revenues of no greater than $1.5 million in the most current fiscal year and no more than 10 full-time employees at the date of application, with no employee minimum, and a demonstrated ability to service the proposed debt..

In addition to meeting these eligibility requirements, the Chief Executive Officer, President, or owner(s) of the applicant business will be required to certify that the business will make its best effort not to furlough or lay off any individuals through the end of the declared emergency and public health emergency related to COVID-19. Companies that have already furloughed or laid off workers as a result of COVID-19 must make a best effort pledge to re-hire those same workers as soon as possible.

The NJEDA will capitalize the program with $10 million. Of the $10 million in total funding available, $3.5 million will be set aside to support eligible entities located in New Jersey Opportunity Zone-eligible census tracts.

The application for the expanded Micro Business Loan Program is currently in development, and is expected to be available soon. Recognizing the extraordinary economic circumstances that make this program necessary, the NJEDA will waive all fees for three months from the date the application is opened.

Comprehensive information about New Jersey's coronavirus response is available at https://cv.business.nj.gov.

To read Governor Murphy's full economic plan, please visit: https://nj.gov/economicplan

About the New Jersey Economic Development Authority
The New Jersey Economic Development Authority (NJEDA) serves as the State's principal agency for driving economic growth. The NJEDA is committed to making New Jersey a national model for inclusive and sustainable economic development by focusing on key strategies to help build strong and dynamic communities, create good jobs for New Jersey residents, and provide pathways to a stronger and fairer economy. Through partnerships with a diverse range of stakeholders, the NJEDA creates and implements initiatives to enhance the economic vitality and quality of life in the State and strengthen New Jersey's long-term economic competitiveness.

To learn more about NJEDA resources for businesses call NJEDA Customer Care at 609-858-6767 or visit https://www.njeda.com and follow @NewJerseyEDA on Facebook, Twitter, and LinkedIn.

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CONTACT US

PO Box 990, Trenton, NJ 08625-0990

36 West State Street, Trenton, NJ 08625

(609) 858-6700

EMAIL US

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