NJEDA
ECONOMIC DEVELOPMENT AUTHORITY

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PRESS RELEASE

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NJEDA LAUNCHES NJ ENTREPRENEUR SUPPORT PROGRAM TO ASSIST ENTREPRENEURS DURING COVID-19 OUTBREAK

TRENTON, N.J. (April 22, 2020) – The New Jersey Economic Development Authority (NJEDA) today launched its New Jersey Entrepreneur Support Program to help Garden State entrepreneurs with limited funding navigate COVID-19-related cashflow constraints by giving them access to capital from investors that are already investing in their companies. A link to the program application is posted on the State's COVID-19 Business Information Hub. This guarantee program is part of a package of initiatives, including grants and loans, announced late last month to support businesses and workers facing economic hardship due to the outbreak of the novel coronavirus COVID-19.

The New Jersey Entrepreneur Support Program is a $5 million program that will create a guarantee to support repayment of an investor loan advanced for working capital purposes and is designed to encourage investors to support businesses within their portfolios.

"The financial support of angel investors, venture capital firms, and other similar investment entities is the lifeblood that drives the innovation economy and entrepreneurship in the Garden State," said NJEDA Chief Executive Officer Tim Sullivan. "In these challenging times, we remain committed to ensuring that investment dollars continue flowing to emerging technology and life sciences companies in the Garden State as we work toward fulfilling Governor Murphy's vision of creating the most diverse and inclusive innovation ecosystem in the nation."

The program will provide an 80 percent NJEDA guarantee for an eligible new loan or convertible note by a qualified investor into a New Jersey qualified business, not to exceed a $200,000 guarantee per company. Investors are qualified for the program if they have already provided funding to a New Jersey company through a simple agreement for equity (SAFE), convertible note, or equity investment as of March 9, 2020 (the date of the Governor's Executive Order 103)

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Participating investors are not required to be New Jersey residents and can include, but are not limited to, individuals, trusts, and corporations. There will be no fees associated with the NJ Entrepreneur Support Program for the first five years of a loan and then standard modification fees will apply.

To be eligible to benefit from the program, a company must be headquartered in New Jersey, have fewer than 25 total employees with a minimum of 50 percent of its employees in the Garden State, and under $5 million in revenues as of December 31, 2019.

Additional eligibility requirements for both investors and entrepreneurs can be found at http://cv.business.nj.gov.

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.

The NJEDA has established a new toll-free number specifically for inquiries related to NJEDA's Small Business Emergency Assistance programs. Please call (844) 965-1125 to speak with a representative.

To learn more about NJEDA resources for businesses call or visit https://www.njeda.com and follow @NewJerseyEDA on Facebook, Twitter, and LinkedIn.

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