NJEDA
ECONOMIC DEVELOPMENT AUTHORITY

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PRESS RELEASE

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NJEDA RECEIVES USEDA GRANT TO EXPAND SMALL BUSINESS EMERGENCY ASSISTANCE LOAN PROGRAM

TRENTON, N.J. (September 1, 2020) – The New Jersey Economic Development Authority (NJEDA) today announced a $10 million expansion of its Small Business Emergency Assistance Loan Program to help support small businesses and nonprofits impacted by the COVID-19 pandemic. The expanded program will be capitalized by a grant received from the United States Economic Development Administration's (USEDA's) Coronavirus Aid, Relief, and Economic Security (CARES) Act appropriation.

"As we've said many times, while COVID-19 is first and foremost a health crisis, it is also a severe economic crisis that affects small business owners in communities throughout our state," said Governor Phil Murphy. "Small businesses are the heartbeat of our economy and it is incumbent upon us to ensure that we secure the funding necessary to help them succeed during these unprecedented and turbulent times."

The NJEDA initially created its Small Business Emergency Assistance Loan Program in the Spring as part of a suite of resources for small businesses and nonprofits following Governor Murphy's signing of Executive Order 103, declaring a State of Emergency and a Public Health Emergency. The program was launched with $10 million in NJEDA funding, and to date, the NJEDA has approved more than $7.5 million in loans through the program. Additional applications are under review.

The second phase of the Small Business Emergency Assistant Loan Program will launch as a $10 million program and will offer up to $100,000 in low-cost financing to eligible New Jersey small businesses and nonprofits to help with recovery and reopening efforts as a result of COVID-19. The funding can be used to pay rent or mortgage, payroll, and/or utilities. It can also be used to purchase inventory, personal protective equipment (PPE), furniture, fixtures, or equipment. To

ensure equity, $3.5 million of the funding will be reserved for businesses in Opportunity Zone-eligible census tracts.

The NJEDA expects the application for its Small Business Emergency Assistance Loan Program – Phase 2 to be available in the fall.

In line with the terms of Phase 1 of the program, Phase 2 loans will have ten-year terms with zero percent interest for the first five years, then resetting to the NJEDA's prevailing floor rate for the remaining five years, with a three percent cap.

"We are grateful to the USEDA for realizing the enormous strain that New Jersey small businesses and nonprofits are under as they begin to bounce back from the economic impact of COVID-19," said NJEDA Chief Executive Officer Tim Sullivan. "Under Governor Murphy's leadership, we have prioritized supporting small businesses that have faced incredibly tough decisions these past few months. The funding announced today will go a long way toward helping small business owners free up capital to move forward, whether that's by creating jobs, obtaining PPE, or one of numerous other steps necessary to re-emerge from the pandemic."

To be eligible for financing through Phase 2 of the Small Business Emergency Assistance Loan Program, small businesses and non-profit organizations must be in existence and in operation for at least one year prior to the date of application launch, have $5 million or less in annual revenue and a physical commercial location in New Jersey. They also must be able to show a negative impact resulting from the COVID-19 outbreak. Home-based businesses are not eligible for financing under this program.

"The NJEDA has a long track record of supporting small businesses through strong economic times as well as turbulent ones," said Dana Gartzke, who performs the Delegated Duties of the Assistant Secretary of Commerce for Economic Development. "We're proud to work with Tim Sullivan and his team to get funds into the hands of businesses that need them most."

The USEDA announced the grant award at a news conference in Atlantic City today. The NJEDA is one of six New Jersey entities or communities to share a total of $15.6 million in federal CARES Act grant funding from the federal agency. The other entities are Burlington County, Cooperative Business Assistance Corporation, the Jersey City Economic Development Corporation, Rutgers – the State of New Jersey's University Center, and the South Jersey Economic Development District. NJEDA Senior Vice President – Finance and Development Lori Matheus represented the NJEDA at today's event.

Gartzke noted that the $11 million from the USEDA to the NJEDA was provided to his agency from the CARES Act. The grant will cover the expansion of the NJEDA's Small Business Emergency Assistance Loan Program and related administrative costs.

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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