Governor Phil Murphy

NJEDA Announces New Initiatives to Support Businesses Impacted by COVID-19

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TRENTON – The New Jersey Economic Development Authority (NJEDA) Board today approved a suite of new programs designed to support businesses and workers facing economic hardship due to the outbreak of the novel coronavirus COVID-19.

The package of initiatives includes a grant program for small businesses, a zero-interest loan program for mid-size companies, support for private-sector lenders and Community Development Finance Institutions (CDFIs), funding for entrepreneurs, and a variety of resources providing technical support and marketplace information. Taken together, they will provide more than $75 million of State and private financial support, with the opportunity to grow to more than $100 million if additional philanthropic, State, and federal resources become available. The initiatives will support between 3,000 and 5,000 small and midsize enterprises and are meant to complement recently announced federal economic recovery initiatives.

More information about the programs will be available here: https://cv.business.nj.gov (https://faq.business.nj.gov/en/collections/2198378-information-for-nj-businesses-on-the-coronavirus-outbreak).

“The outbreak of the novel coronavirus in New Jersey has sent us into uncharted territory, and the economic impacts will be significant and far-reaching, especially on Main Street. The scope and scale of this new challenge requires immediate action to support New Jersey workers and businesses,” **said Governor Phil Murphy.** “The new NJEDA programs announced today are a critical step that will mitigate the economic impacts of this unprecedented challenge and help workers and businesses to weather the storm and come out stronger when things return to normal.”

Development of the grant program, support for CDFIs, and flexibility for current NJEDA borrowers was enabled by the legislature through A3845. Primary sponsors of the legislation include Assemblymembers Roy Freiman, Louis D. Greenwald, Ronald S. Dancer, and Senators Nilsa Cruz-Perez, and Brian Stack.

The new NJEDA initiatives focus on businesses that have been hit hardest by the novel coronavirus outbreak: local small businesses, mid-size businesses that have had to close or drastically reconfigure operations, and new businesses who were just getting on their feet before the crisis hit. The programs provide a suite of compatible offerings that address these businesses’ varied needs and include mechanisms to provide funding and assistance as quickly as possible.

Many of the resources are designed to be scalable with the addition of federal and philanthropic resources if they become available. Philanthropic partners interested in donating to support the NJEDA’s small business grant program should reach out to donations@njeda.com (mailto:donations@njeda.com).

“Small- and medium-sized enterprises are the heartbeat of New Jersey’s economy and it is crucial that we do what we can to provide the resources and assistance they need to withstand the outbreak of novel coronavirus,” **said NJEDA Chief Executive Officer Tim Sullivan.** “In coordination with our partners throughout State government, we are undertaking an unprecedented effort to support these businesses and the New Jersey residents who rely on them for their livelihoods. These are challenging times, but New Jerseyans are resilient, and together we will get through this and rebuild our economy.”

The suite of new initiatives includes:

- **Small Business Emergency Assistance Grant Program** – A $5 million program that will provide grants up to $5,000 to small businesses in retail, arts, entertainment, recreation, accommodation, food service, and other

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services – such as repair, maintenance, personal, and laundry services – to stabilize their operations and reduce the need for layoffs or furloughs.

- **Small Business Emergency Assistance Loan Program** – A $10 million program that will provide working capital loans of up to $100,000 to businesses with less than $5 million in revenues. Loans made through the program will have ten-year terms with zero percent for the first five years, then resetting to the EDA's prevailing floor rate (capped at 3.00%) for the remaining five years.
- **Community Development Finance Institution (CDFI) Emergency Loan Loss Reserve Fund** – A $10 million capital reserve fund to take a first loss position on CDFI loans that provide low interest working capital to micro businesses. This will allow CDFIs to withstand loan defaults due to the outbreak, which will allow them to provide more loans at lower interest rates to microbusinesses affected by the outbreak.
- **CDFI Emergency Assistance Grant Program** – A $1.25 million program that will provide grants of up to $250,000 to CDFIs to scale operations or reduce interest rates for the duration of the outbreak.
- **NJ Entrepreneur Support Program** – A $5 million program that will encourage continued capital flows to new companies, often in the innovation economy, and temporarily support a shaky market by providing 80 percent loan guarantees for working capital loans to entrepreneurs.
- **Small Business Emergency Assistance Guarantee Program** – A $10 million program that will provide 50 percent guarantees on working capital loans and waive fees on loans made through institutions participating in the NJEDA's existing Premier Lender or Premier CDFI programs.
- **Emergency Technical Assistance Program** – A $150,000 program that will support technical assistance to New Jersey-based companies applying for assistance through the U.S. Small Business Administration. The organizations contracted will be paid based on SBA application submissions supported by the technical assistance they provide.

Additional details on the NJEDA's new programs, including eligibility requirements will be available here: https://cv.business.nj.gov (https://faq.business.nj.gov/en/collections/2198378-information-for-nj-businesses-on-the-coronavirus-outbreak). Comprehensive information about New Jersey's response to the novel coronavirus outbreak is available here: https://covid19.nj.gov/ (https://covid19.nj.gov/).

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