NJEDA
ECONOMIC DEVELOPMENT AUTHORITY

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PRESS RELEASE

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April 27, 2020

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NJEDA TAKES STEPS TO SUPPORT CUSTOMERS IMPACTED BY THE COVID-19 OUTBREAK

Aims to Help Improve Cash Flow, Conserve Capital for Portfolio Companies

TRENTON, N.J. (April 27, 2020) – The New Jersey Economic Development Authority (NJEDA) today outlined several steps it is taking to support existing portfolio companies coping with the economic impact of the COVID-19 outbreak. These include payment moratoria, loan-maturity extensions, additional flexibility for collateral subordinations needed for new working capital financing, and fee waivers.

"Business owners are facing numerous financial hardships in light of the COVID-19 pandemic and we are committed to supporting them through this difficult time," NJEDA Chief Executive Officer Tim Sullivan said. "We continue to work with our partners in the public and private sectors to create new ways to offset some of the outbreak-related challenges faced by New Jersey companies."

On March 9, 2020 Governor Phil Murphy signed Executive Order 103 (EO 103). At a special Board meeting on March 26, the NJEDA approved authorizing a three-month moratorium on principal and interest payments on all NJEDA loans. This includes direct loans, technology and life science loans, and loans made through the Premier Lender Program. Borrowers can receive an additional three-month moratorium if they certify they have faced hardship due to the COVID-19 outbreak and six months beyond that if NJEDA staff review of the company's financial statements identifies a clear inability to service debt. To qualify for the moratorium, companies must be not greater than 120 days past due as of March 26, 2020 on existing loans and must not be in litigation with the NJEDA. Nearly 300 existing NJEDA customers are eligible to benefit from the payment moratorium.

For Premier Lender Program participation loans, the NJEDA will match the bank's principal and/or interest moratoria up to 12 months on participation loans to provide cash flow relief. An extension of the loan maturity, or re-amortization of the principal balance, can be approved for a similar term to avoid balloon payments at the end of the term, subject to program-specific restrictions.

The NJEDA is also helping to facilitate working capital financing by allowing some collateral releases, subordinations, and substitutions on business assets for eligible businesses impacted by COVID-19 when requested.

Lastly, the NJEDA is also waiving late fees though September 30, 2020 and loan modification request fees related to the disruption caused by the COVID-19 pandemic in order to reduce the financial burden on businesses.

Businesses with questions about their specific loans should reach out directly to their NJEDA loan officer.

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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