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Gov. Michelle Lujan Grisham
Cabinet Secretary Alicia J. Keyes
Deputy Secretary Jon Clark

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Zero-Interest Emergency LEDA Loan Granted to N.M. Business

The first no-interest emergency loan from the State of New Mexico's Local Economic Development Act (LEDA) Fund to help maintain jobs and business operations as a result of the COVID-19 health crisis is in the final stage of approval, Economic Development Department Cabinet Secretary Alicia J. Keyes announced today.

The emergency assistance was one of the first initiatives approved by Gov. Michelle Lujan Grisham, in an effort to offer relief to businesses that had to close or curtail operations. The loan program was authorized by the governor on March 12 as she moved quickly to mitigate economic damage from the pandemic.

"From the first moments of this pandemic, my administration has been fighting to keep New Mexicans safe and healthy and to help our state economy weather the storm brought on by this heinous virus," Gov. Michelle Lujan Grisham said. "These emergency funds are a demonstration of our commitment to businesses all across New Mexico. It has been impossibly difficult, but we are with you; the state will do everything it can at every opportunity, and we will be with you all the way through to the other side."

Economic assistance from LEDA has to go through a public review process. The City of Albuquerque is the fiscal agent for the first loan made to Virbrant Corporation. The Albuquerque City Council is set to take final action on the loan request June 15.

"The City of Albuquerque Economic Development Department is serving as fiscal sponsor for the State's Zero Interest LEDA Loan Program and that couldn't be more important during this time. It's great to see that an Albuquerque business is getting engaged with this opportunity," Mayor Tim Keller said. "We encourage other Albuquerque companies who are facing financial uncertainties to consider this option."

Vibrant's resonance testing process provides quality assurance testing for industries including aerospace, energy, automotive, and defense. The $304,000 loan will help the company retain 12 employees

"The LEDA program is a great fit for Vibrant in the challenging environment created by COVID-19. Vibrant appreciates the opportunity to partner with the state's Economic Development Department," Bill Hoermle, Vice President of Finance and Administration for Vibrant, said. "Our engineering and technician staff would be difficult to replace if we were forced to downsize. Our employees and our technology have great potential and this funding will not only allow us to maintain our current footprint in New Mexico but also enable us to provide additional high-paying jobs in the future."

The legislature has restricted LEDA to economic base businesses and expenses related to land, buildings and infrastructure, including rent abatement. Those interested should contact Mark Roper, EDD's Finance Division Director, at mark.roper@state.nm.us. You can learn more about LEDA qualifications on the EDD's LEDA web page.

Governor Lujan Grisham also approved the COVID-19 Business Loan Guarantee Program. Under this initiative, the state can assist businesses seeking emergency loans or lines of credit to deal with negative economic impacts from COVID-19. EDD can guarantee a portion of a loan or line of credit up to 80% of principal or $50,000. Loan proceeds are flexible and can be used for (but not limited to) working capital, inventory, and payroll.

As of this week, 45 businesses have secured guarantees for a total of $2.1 million in lending.

For more information contact EDDFinance@state.nm.us.

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The New Mexico Economic Development Department's mission is to improve the lives of New Mexico families by increasing economic opportunities and providing a place for businesses to thrive.

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