New Relief Programs Available Through the NJEDA

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Porzio Client Alert

While many small businesses are researching and applying for relief available under the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, know that New Jersey is also moving quickly to implement relief programs in response to the COVID-19 pandemic. Most recently, the New Jersey Economic Development Authority (NJEDA) has introduced and approved several new programs offering economic relief and incentive to small businesses and employees operating within the state. The new programs offer several benefits for qualified businesses and individuals, including:

- A grant program for small businesses;
- A zero-interest loan program for mid-size companies;
- Support for private-sector lenders and Community Development Financial Institutions (CDFIs);
- Funding for entrepreneurs;
- A variety of other resources providing technical support and marketplace information.

The following summarizes these programs and the State has developed an Eligibility Wizard application so you can quickly and easily determine what support programs are now available to your business. A link to the Eligibility Wizard can be found here -- and the new programs are:

Small Business Emergency Assistance Grant Program

Will provide grants up to $5,000 to small businesses in retail, arts, entertainment, recreation, accommodation, food services, repair/maintenance, personal and laundry services.

Small Business Emergency Assistance Loan Program

Will provide working capital loans up to $100,000 to businesses that have less than $5 million in revenue. Loans will have ten-year terms with zero percent interest for the first five years, then reset to the EDA prevailing floor rate for the remaining five years.

Community Development Finance Institution Emergency Loan Loss Reserve Fund

Will provide a $10 million capital reserve fund to take a first loss position on CDFI loans providing low interest capital to micro businesses. This will allow CDFIs to withstand loan defaults due to the COVID-19 pandemic, and allow them to provide additional loans at lower interest rates.

CDFI Emergency Assistance Grant Program

Will provide grants up to $250,000 to CDFIs to scale operations or reduce interest rates.

New Jersey Entrepreneur Support

Will provide 80 percent loan guarantees for working capital loans to entrepreneurs.

Small Business Emergency Assistance Guarantee

Will provide 50 percent guarantees on working capital loans and waive fees for loans made through institutions participating in NJEDA's Premier Lender or Premier CDFI programs.