

Micro Business Loan Program

Small Business Services Team

Please email **smallbusinessservices@njeda.com** to speak to a Small Business Services team member.

Visit **www.njeda.com/MicrobusinessLoan** to view a checklist and access to the application

The Micro Business Loan Program makes financing of up to \$50,000 available to for-profit businesses legally registered to do business in New Jersey, with a business location in New Jersey, home-based businesses and non-profits in existence and operating for at least two years, who have annual revenues in the most current fiscal year of no greater than \$1,500,000, and 10 full-time employees or less at time of application. Startup businesses in existence and operating between 6-12 months are eligible for financing but must provide the Authority with a business plan and five-year projections.

Loan Amount:

- Up to \$50,000

To Be Used For:

- Permanent working capital or purchase of equipment.

Eligibility Requirements:

- Must be one of the following:
 - A for-profit business legally registered to do business in New Jersey, with a business location in New Jersey.
 - A home-based business or not-for-profit organization in existence and operation for at least two years.
 - A startup business, in existence and operation between 6-12 months, must provide a business plan and five-year projections.
- Must have annual revenues in most recent fiscal year of no greater than \$1,500,000 (based on most recent tax return).
- At time of application, business cannot have more than 10 full-time employees in total. All employees must work in New Jersey.
- Entity must certify to make its best effort not to furlough or lay off any individuals through the end of the declared emergency and public health emergency related to COVID-19
- Entity will also be required to certify that no have tax debts due to the State, and must be in good standing with the New Jersey Department of Labor and Workforce Development.
- Must have minimum credit score of 600.

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- Collateral Requirements:

- Loans of \$25,000 or less will be unsecured (no collateral required) for loans of greater than \$25,000, NJEDA will accept various forms of collateral for the full loan amount. NJEDA may look to place liens on any new equipment purchases including rolling stock, blanket lien on personal/business assets, residential or investment property to meet the collateral requirement. Maximum loan to value of 100% for secured loans

Rates & Terms:

- Standard 10 year term, with the ability to increase to 15 years if needed in order to meet the 1.00x global debt service coverage ratio requirement.
- Interest Rate: 2 percent, set at approval, with no interest and no payment due for the first three years.
- 10% of the total approved loan amount will be forgiven if the business is open and operating 12 months after closing date.

Fees*:

- Application fee: \$300
- Commitment fee: 0.5% of loan amount
- Closing fee: 0.5% of loan amount

*** All fees are non-refundable.**

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