<https://faq.business.nj.gov/en/articles/3835238-how-do-i-apply-to-the-njeda-small-business-emergency-assistance-loan-application-open-april-13-2020-at-9-00-a-m>

How do I apply to the NJEDA Small Business Emergency Assistance Loan? (Application open April 13, 2020, at 9:00 a.m.)



Written by Business.NJ.gov Team   
Updated today

In response to the economic challenges being faced by New Jersey small businesses due to the COVID-19 outbreak, the New Jersey Economic Development Authority (NJEDA) has created the Small Business Emergency Assistance Loan Program. The **$10 million program will make direct low-cost financing available** to allow New Jersey small businesses and non-profits to cover operating expenses and ensure continuity of operations during the outbreak.

Small Business Emergency Assistance Loan applications will open here Monday, April 13, 2020, at 9:00 a.m.

You may now [access a copy of the loan application](https://www.njeda.com/pdfs/NJEDA_COVID-19_Loan_App_Walkthrough) to help you prepare your submission. Completed applications will be considered on a first come, first serve rolling basis. To see whether you might qualify for this program, use the [NJ COVID-19 Business Support Eligibility Wizard](https://assistance.business.nj.gov/).

The Small Business Emergency Assistance Loan program is designed to provide **a direct loan of up to $100,000 to NJ-based small businesses and non-profits organizations** that have been in existence for at least one-year and has less than $5 million in annual revenue. These businesses much have been negatively impacted by the COVID-19 outbreak (including, but not limited to: reduction of business hours, complete closure of business, at least a 20% decline in revenue, employees unable to work, required to close by government, or disruption of supply chain).

**Your organization is eligible for the Small Business Emergency Assistance Loan Program if you…**

* Have a physical commercial location in the State of NJ. Home-based businesses are not eligible for this program. A home-based business is a business operated out of a residential property where commercial activity is not zoned to take place.
* Have been in existence for at least one year
* Have less than $5M annual revenue
* Can show a global debt service coverage ratio of 1.00 (as of December 31st, 2019)
* Are able to demonstrate negative impact related to COVID-19 on or after March 9th, 2020
* Are registered to do business in the State of NJ
* Must certify that the company is in good tax standing with the State
* Are in good standing with the Department of Labor and Workforce Development, with all decisions of good standing at the discretion of the Commissioner of the Department of Labor and Workforce Development
* Are able to provide a CEO certification that the firm will make its best-effort to not lay off employees or will re-hire employees as soon as possible
* Non-profit organizations are eligible for this program; eligible non-profits must have status of 501(c)(3), 501(c)(4), 501(c)(7)

Types of businesses **not** eligible:

* Related to gambling or gaming activities
* Related to the purveyance of “adult” (i.e., pornographic, lewd, prurient, obscene) activities, services, products or materials (including nude or semi-nude performances or the sale of sexual aids or devices)
* Auction or bankruptcy or fire or “lost-our-lease” or “going-out-of-business” or similar sale
* Traveling merchant
* Christmas tree sales or other outdoor storage
* Any other activity constituting a nuisance
* Illegal under the laws of the State of New Jersey

This program is structured specifically for entities facing economic challenges due to COVID-19 and provides **low-cost and flexible terms, such as**:

* 10-year term and amortization
* 0% interest rate (years 1-5), NJEDA’s prevailing interest rate floor (capped at 3.0% years 6-10)
* Deferred repayments for 12 months

There are no fees associated with the Small Business Emergency Loan Program for the first five years of the loan, including application fees, and then standard modification fees will apply.

**In order to apply for the loan, businesses will need to provide the following…**

**Contact information for someone who is authorized to speak on behalf of your company.** For example: an owner or an executive such as a CEO or Executive Director

**Basic information about your company**

1. Registered legal name and “Doing Business As” name. To confirm your organization’s registered legal name: <https://www.njportal.com/DOR/BusinessNameSearch/Search/BusinessName>
2. Federal Employer Identification Number (EIN)
3. Date your company was established
4. Number of Full-time employees as of December 31, 2019, Part-Time Employees as of December 31, 2019, and other workers (ie 1099 or contracted employees) as of December 31, 2019
5. Prior year’s annual revenue
6. Brief description about the organization (2-3 sentences about what you do)
7. Formation documents
8. Organization’s industry as defined by your NAICS code. To confirm your NAICS code, check your federal tax filing or use this site to look up your NAICS code: <https://www.naics.com/search/>

**Ownership Information**

1. Identify the owners of your organization and their respective percentage of ownership
2. For those with 10% or more ownership interest, be prepared to provide: Filed Personal Federal Tax returns for the most recent 3 years; Personal financial statement

**Corporate Financial Information**

1. Up to 3 years of the most recent filings of your Corporate Federal Tax returns depending on number of years in existence
2. Internally prepared statements (Profit & Loss and Balance Sheet), if 2019 has not been filed
3. Interim statements (Profit & Loss and Balance Sheet), if internally prepared statements are greater than 90 days old
4. Information relating to existing debts (type, creditor, date debt was incurred, maturity date, present balance, interest rate, minimum payment, extra payment , status, collateral for debt)

**Identify Use of Loan Proceeds** a. Depending on the category(ies) requested (payroll, rent/mortgage, taxes, utilities, etc.), be prepared to provide:

1. Amount
2. Timeframe that the request covers
3. Supporting documentation for each category (e.g.- if rent, provide lease)

If loan request does not cover all expenses listed, be prepared to identify and document sources to cover the gap (e.g.- equity, bank financing, etc.)

**Identify potential collateral for the loan.** List any unencumbered real properties that are owned

1. solely by the applicant business;
2. by any individual having a 10% or more ownership position in the applicant, or
3. by a related entity having the same ownership structure of the applicant and that property is occupied by the applicant.

Provide all leases associated with the listed commercial/investment properties.

**Be able to answer the State’s basic debarment question.** To see the full application and read the State debarment questions, see above.

**Be able to affirmatively answer and/or certify that:**

1. You are not a home-based business
2. You are not a prohibited business
3. You have been impacted by the COVID-19 outbreak
4. You will make a best effort not to lay off any additional employees and re-hire any whom you have already laid off
5. Information you are providing is correct
6. You will allow the NJEDA to check your entries against other State sources of data
7. You will authorize NJEDA to obtain a credit report on all guarantors
8. You are current on all state obligations.

**If a loan is offered, you’ll be asked to provide following**

1. Evidence of proper business insurance coverages
2. Copies of a government issued photo identification document for all individuals who may become party to the loan
3. ACH details to enable transmission of proceeds

Updated: April 7, 2020  
Source: NJEDA