

NJEDA SMALL BUSINESS FINANCING PROGRAMS

By: Gary R. Marx, CEcD, Principal, BlueCap Economic Advisors, LLC

December 6, 2018

The New Jersey Economic Development Authority (“NJEDA”) is an independent state-level financing agency providing various programs and services that support business growth and expansion in New Jersey. NJEDA financing focuses on job growth and retention, making loans more accessible to business, and reducing risk for banks while administering several incentive programs that support job creation and real estate development.

The NJEDA menu of programs including small- and medium-sized business financing programs that assist with real estate acquisition, fixed assets, and working capital. Three programs in this category are the Premier Lender Program, Direct Loans, and the Small Business Fund.

NJEDA’s Premier Lender Program provides up to \$2 million in loan participation to supplement financing from banks for fixed assets. NJEDA may also provide loan guarantees of up to \$1.5 million for fixed assets. Funding is limited to \$65,000 per job created or retained within two years, with 100 percent loan to value for real estate and 90 percent for equipment. The program makes it easier for businesses to qualify, creates blended terms, and reduces bank risk.

Direct Loans also provide up to \$2 million in financing, limited to \$65,000 per full-time job created or retained within two years. Businesses located in targeted urban areas, regional centers, and metropolitan planning areas may apply for up to \$3 million. NJEDA may also approve loans for working capital of up to \$750,000. Direct Loans rates are the higher of either the five-year U.S. Treasury or two percent.

The Small Business Fund focuses on creditworthy small, women- and minority-owned businesses in New Jersey. Businesses that have been in operation for at least one year are eligible for up to \$500,000 in fixed-asset or working capital financing. Not-for-profits in operation for three years are also eligible to apply for this program.

These financing programs are just a few of the full menu of NJEDA financing and incentive programs available to business. In 2019, look for a greater focus on small business with a few new NJEDA programs as Governor Murphy’s administration implements their goals to develop the state economy with an emphasis on small business, innovation, and technology.

FOR MORE INFORMATION CONTACT:



Gary R. Marx, CEcD
Principal
BlueCap Economic Advisors, LLC

55 Avalon Road
Pennington, NJ 08534

gmarx@BlueCapEconomicAdvisors.com
Direct: 609.651.0684

BlueCap Economic Advisors

“Building Successful Relationships” is our Mission.

The foregoing information was furnished to us by sources which we deem to be reliable, but no warranty or representation is made as to the accuracy thereof. Subject to correction of errors, omissions, change of price, prior sale or withdrawal from market without notice. This article is for informational purposes only. © 2018 WCRE All Rights Reserved