



NEW JERSEY

Financing, Loan & Guarantee Programs

Local Development Financing Fund (LDFF)

If You Are:

A New Jersey business located in an urban aid* municipality.

You Can Elect:

To secure financing through the Local Development Financing Fund (LDFF).

In The Amount Of:

Up to \$2 million, limited to 25% of the project cost, with a rate of 50% of the federal discount rate at closing and 2% interest rate floor.

To Be Used For:

Fixed assets only, such as property and equipment.

Program Details:

LDFF is a revolving loan fund administered by the New Jersey Economic Development Authority (EDA). The loans are generally subordinate in collateral position but not subordinate in payments to the borrower's other secured debt. Financing for the total project is limited to 1:1 public/private dollar match and funds cannot be used for construction financing, working capital or refinancing. Typically, loans are structured with a 10-year term.

Important Requirements:

Funding is for commercial or industrial projects located in an urban aid municipality. Municipal sponsorship is required as well as a support letter and resolution from city council. Applicant must demonstrate that financing under this program is critical to the project's success. The company must create one new job for every \$25,000 of EDA assistance.

Fees:**

- Application fee: \$1,000
- Commitment fee: 0.875% of loan amount
- Closing fee: 0.875% of loan amount

Division of Taxation Tax Clearance Certificate Application Processing Fee: \$75 for standard processing; \$200 for expedited processing (response within three business days).

For more information on the Local Development Financial Fund (LDFF), visit www.njeda.com.

*The criteria to determine urban aid municipalities is found at N.J.S.A. 52:27D-178.
**All fees are non-refundable.



THE STATE OF NEW JERSEY
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The company we keep,
keeps getting better.