



NEW JERSEY

Financing, Loan & Guarantee Programs

Main Street Business Assistance Program

This program provides financial support to commercial banks in New Jersey to assist in offering loans and guarantees to small and mid-sized businesses and nonprofit organizations with projects in New Jersey. The Main Street Business Assistance Program includes bank term loan participations and/or guarantees and line of credit guarantees.

If You Are:

A small or mid-sized business or nonprofit organization in operation for at least two years and need financing.

Available Assistance:

- **Loan participations** up to 25% of the total transaction (not to exceed \$1 million for fixed assets and \$750,000 for working capital).
- **Loan guarantees** up to 50% of the total transaction (not to exceed \$2 million for fixed assets and \$1.5 million for working capital).
- **Line of credit guarantees** up to 50% of the total transaction (not to exceed \$250,000).

Total EDA exposure under the Main Street program not to exceed 50% up to a maximum of \$2 million

To Be Used For:

Working capital, fixed assets, refinancing of debt.

Benefits:

Reduced credit risk for the bank and access to capital for the borrower.

Program Details:

- Minimal credit score of 680 for at least one of the guarantors.
- Interest rate on the New Jersey Economic Development Authority (EDA) loan participation is 5% fixed with a maximum term of 5 years.
- 1.1X debt service coverage ratio.
- Loan-to-value not to exceed 100%.
- Collateral required for participations and guarantees. The EDA's collateral position is subordinate to the bank for participations, and equivalent to the bank for guarantees.
- Originating bank must be an approved lender with the EDA for loan participations.
- Lines of credit guarantees are available through EDA preferred lenders only.
- Company must be in good standing with EDA, federal/state agencies, and requesting bank.
- Company must have no criminal history for owners, business, or guarantors.



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continued

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Fees:*

- Application fee: \$1,000
- Commitment fee: \$750
- Guarantee fee: 0.5% of guarantee amount multiplied by the number of years of the guarantee
- Commitment extension: \$750

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 Main Street Business Assistance Program, visit www.njeda.com.

*All fees are non-refundable.



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The company we keep,
keeps getting better.