



## Direct Loans for Small and Mid-Sized Businesses

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### Direct Loan Program

New Jersey businesses in need of financing and committed to job creation/retention may be eligible for direct loans through EDA when financing is not available under other EDA financing programs.

#### In the Amount Of:

Up to \$2 million for fixed assets, or up to \$750,000 for working capital.

#### To Be Used For:

Fixed assets or working capital.

#### Benefits:

Direct Loans offer companies lower interest rates, longer terms, and the flexibility in choosing a variable or fixed rate.

#### Eligibility:

To be eligible for EDA direct loans, businesses must commit to the creation or retention of one job for every \$65,000 of EDA exposure within two years.

#### Program Details:

EDA direct loans provide terms of up to 10 years. Amortization can be up to 5 years for working capital, 10 years for equipment transactions, and 20 years for real estate transactions.

To be eligible for the program, the borrower must create or maintain one job for every \$65,000 of EDA assistance.

The base rate is the 5-Year United States Treasury or 2%, whichever is higher. The base rate will be adjusted based upon the applicant's creditworthiness.

#### Terms:

Based on the 5-year US Treasury or floor of 2%, whichever is higher, with basis point additions for credit risk.

#### 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).

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## Small Business Fund

Creditworthy small, minority-owned or women-owned business in New Jersey in operation for at least one full year who may not have the ability to get bank financing, or not-for-profit corporation in operation for at least three full years may be eligible for direct loans under the Small Business Fund.

### In the Amount Of:

- Small Businesses - Up to \$500,000 for credit scores greater than or equal to 680.
- Not-for-Profits: Up to \$500,000 with 1.0X historical debt service coverage.

### To Be Used For:

Fixed assets or working capital.

### Program Details:

An expedited approval process provides financial assistance to qualified businesses through direct loans, participations, or guarantees with a fixed interest rate.

### Fees:

- Application fee: \$300
- Commitment fee: 0.5% of the loan amount
- Closing fee: 0.5% of the loan amount
- Guarantee fee: 0.5% of guarantee amount for the number of years of the guarantee, payable at closing

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

\*All fees are non-refundable.