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Christie Administration Announces July Launch of Stronger NJ Business Loan Program

Tuesday, June 11, 2013

Tags: [Hurricane Sandy](#)

Businesses Encouraged to Sign Up for Program Updates at application.njeda.com/strongernjbusiness

Trenton, NJ –Continuing the Christie Administration's commitment to helping-storm impacted businesses and communities recover, the New Jersey Economic Development Authority (EDA) today approved the creation of the Stronger NJ Business Loan Program at its monthly Board meeting. Beginning in July, the program will offer direct, low-cost loans of up to \$5 million to businesses and non-profits that suffered physical damage, as well as to businesses looking to expand within storm-impacted communities.

Following the approval of New Jersey's Community Development Block Grant (CDBG) Disaster Recovery Action Plan, Governor Christie called on the EDA to administer \$460 million of the state's CDBG Disaster Recovery allocation to assist storm-impacted businesses. Following the May launch of the Stronger NJ Business Grant Program, the Stronger NJ Business Loan Program is the second of these CDBG-funded business recovery initiatives and will utilize \$100 million of the allocation.

"Small businesses are the social and economic backbone of so many of the New Jersey communities that experienced damage as a result of Superstorm Sandy," said Governor Christie. "Today's EDA Board approval of the Stronger NJ Business Loan Program represents the next step in assisting these storm-impacted businesses with their rebuilding and recovery so that they can get back to normal operations, generating the revenues and jobs that keep New Jersey moving."

The Stronger NJ Business Loan Program will be available to impacted small businesses statewide, with a focus on the nine most impacted counties of Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean, and Union, as defined by the U.S. Department of Housing and Urban Development (HUD). To be eligible, businesses located within the nine counties must: 1) positively impact the economy of their community through either capital investment or the creation or retention of jobs; and/or 2) evidence a minimum of \$5,000 in physical damage to real property and/or loss or damage of non-perishable and non-consumable inventory. Businesses located outside of the nine counties must meet the \$5,000 damage/loss requirement.

"Through the grant and loan programs, we are working to ensure that New Jersey's impacted businesses and communities are able to recover, rebuild and thrive," said EDA Chief Executive Officer Michele Brown. "It is critical that every business in need knows that funding is available and help is just a phone call away. We want to encourage businesses to grow and invest in our hardest hit communities to strengthen the local economy and promote the creation and retention of jobs."

The loans are available to support working capital needs and/or renovations or new construction of the place of business. The maximum working capital loan amount is \$500,000, exclusive of equipment. Working capital needs could include: repaying or refinancing debt used to pay working capital (not physical damage) after the storm; salary, wages and fringe benefits; mortgage, rent or property lease payments; perishable and non-perishable inventory; supplies; utility bills; equipment and machinery leases, rentals or purchases that do not require installation; marketing; insurance premiums related to the business; and, federal, state, county, local or other taxes and assessments not in arrears.

Through the renovation or new construction component, the maximum loan is \$5 million. Eligible uses could include: repair or replacement of the physical structure, building systems, electrical, plumbing, furnishings, exterior structures, or equipment or machinery of any costs that also requires installation; carpentry or other construction costs associated with repair or replacement of the place of business; installation of fixtures; mitigation; new construction and

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renovations; landscaping; paving; architectural or engineering services; other construction-related services, with the exclusion of accounting, legal and financing; and, any of the above costs paid to satisfy insurance deductibles.

To be eligible, businesses must have at least one location in New Jersey and entities must have been in existence at the time of the storm. Applicants must also be a small business, as defined by the Small Business Administration (SBA), and have annual revenues of at least \$25,000. As required by HUD for CDBG Disaster Recovery funds, loans under the program must be used to satisfy "unmet needs," which are defined as financial needs not satisfied by other public or private funding sources. As CDBG Disaster Recovery funds are meant to be funding of last resort, HUD requires that businesses must have applied to and received a declination or approval for an SBA disaster loan if the SBA program is still active.

The SBA deadline for Physical Damage loans was May 1, 2013; the SBA Economic Injury Disaster Loan deadline is currently July 31, 2013. If an entity still has a pending application with SBA from the recently closed Physical Damage Disaster Loan, they will need to wait for a determination before submitting their application to EDA. If a company is seeking funds related to physical damage, which could include construction, but did not apply for the SBA program before it lapsed, the company may still apply for the Stronger NJ Business Loan program. If an entity has needs that could be funded by an Economic Injury Disaster Loan, which could include working capital to cover salaries and expenses, they will need to apply to SBA and receive a final determination before they will be able to submit a Stronger NJ Business Loan application.

Beginning July 1, businesses and non-profits can call EDA's Sandy hotline at 1-855-SANDY-BZ (1-855-726-3929) to speak with a representative to start the Stronger NJ Business Loan application process. For more information, visit application.njeda.com/strongernjbusiness.

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