

Governor Phil Murphy

ICYMI: NJEDA to Receive \$255M in Federal Funds to Support New Jersey's Small Business Community

12/30/2022

Authority to Create Suite of Programs to Improve Access to Capital and Drive Investment in Small Business and Entrepreneurship

TRENTON - The New Jersey Economic Development Authority (NJEDA) (https://urldefense.com/v3/_https://t.e2ma.net/click/zwxrri/7ys5259b/f1ffm1...!!J30X0ZrnC1oQtbaIPILy_Aj27OgZR1W1yDaxrj26RGWu5XNmM80dXOKizM27L0r2JLaRyfSgQ9sJ) today announced that the State of New Jersey is poised to receive more than \$255 million in funding through the federal State Small Business Credit Initiative (SSBCI). Following the U.S. Department of Treasury's approval yesterday of New Jersey's SSBCI application, the NJEDA will utilize this funding to develop six programs that will provide financial and technical assistance to small and micro businesses, and early-stage, innovation-focused companies located in New Jersey.

Administered by the U.S. Department of the Treasury, SSBCI is a federal program designed to catalyze lending and investment of private capital into small businesses, particularly those that would not otherwise have access to funding. In line with Governor Phil Murphy's vision for a stronger and fairer New Jersey economy, SSBCI supports the expansion of businesses owned by Socially and Economically Disadvantaged Individuals (SEDI), by allocating at least \$27.5 million to benefit SEDI-owned businesses statewide.

"The COVID-19 pandemic simultaneously showed both the resilience and tenacity of New Jersey's small business community and the vital importance of getting capital into the hands of small business owners and entrepreneurs who need it most," Governor Phil Murphy said. "The infusion of federal funding announced today presents our state with a tremendous opportunity to develop innovative programs to propel our economy forward."

The NJEDA plans to create and launch the following six programs with the SSBCI funding:

- An \$80 million **Clean Energy Business Financing Program** will offer loan participations or companion loans to eligible small businesses seeking to finance qualifying clean energy projects that create jobs in New Jersey. As part of New Jersey Green Fund initiatives, this program will provide \$1 of SSBCI funding for every \$1 of private financing for loans to small businesses to accelerate deployment of clean energy technologies and support green job creation.
- A \$60 million **Life Science Investment** program will invest funds into one or more venture funds to support early-stage New Jersey life science businesses. The NJEDA will use a public Notice of Investment Opportunity (NIO) process to seek at least one professional venture capital manager to manage the venture funds and contribute matching private capital.
- A \$50 million **Blended Capital Fund** program will co-invest SSBCI funds in an investment vehicle that supports the purchase of eligible loans from Community Development Financial Institutions (CDFIs) serving New Jersey, allowing them to do more lending. The program manager, who will be identified through a public NIO process, would be expected to bring in additional private capital, provide technical assistance to CDFIs, and oversee movement of funds and required reporting to NJEDA.
- A \$25 million **Recovery Loan Loss Reserve** will provide CDFIs and Minority Depository Institutions (MDIs) the ability to leverage their resources to support more small businesses. This program will provide participating CDFIs and MDIs a loan guarantee of 50 percent for all loans that meet the eligibility criteria. CDFIs and MDIs can request an allocation of up to \$2.5 million per entity.
- A \$20 million **SEDI Seed Fund** will invest funds into one or more venture funds to support seed and early-stage startups with SEDI owners. The NJEDA will use a public NIO process to identify one or more fund managers to manage the funds and contribute matching private capital.
- A \$20 million **Angel Match Program** will match direct investment in early-stage, product-based technology companies on a one-to-one basis. The funding will be in the form of an unsecured convertible note ranging from \$100,000 up to \$500,000.

"Since his very first day in office, Governor Murphy's economic development strategy has been centered on connecting entrepreneurs and small business owners with the capital they need to succeed in an equitable and inclusive manner," said NJEDA Chief Executive Officer Tim Sullivan. "Through a combination of loans and strategic investments, each of the SSBCI-funded programs being developed will help to position New Jersey businesses for long-term growth."

"Small businesses are the heart of New Jersey's economy, and during these difficult past few years, NJEDA has shown its ability to deploy funding to small businesses where it is needed efficiently," New Jersey Treasurer Elizabeth Maher Muoio said. "I am confident that the new programs created by NJEDA with this federal funding will make a lasting difference for New Jersey's small businesses."

Additional details on each of the NJEDA programs will be announced in the coming weeks.

The federal SSBCI program was first established in 2010, and a second round was funded by the American Rescue Plan Act (ARP), which was signed into law by President Joe Biden in March 2021. ARP made \$10 billion available overall for SSBCI, allocating non-competitively to states, territories, and Tribal governments. Sullivan thanked President Biden and members of New Jersey's Congressional delegation who voted to authorize this funding.

Governor Phil Murphy

Statewide

Home (/governor/)	Key Initiatives	Social	NJ Home (/www.nj.gov)
Administration	Economy & Jobs	Facebook	Services A to Z (/www.nj.gov/nj/gov/njgov/alphaserv.html)
Governor Phil Murphy (/governor/admin/about/)	Education	Twitter	Departments/Agencies (/www.nj.gov/nj/gov/deptserv/)
Lt. Governor Sheila Oliver (/governor/admin/lt/)	Environment	Instagram	FAQs (/www.nj.gov/faqs/)
First Lady Tammy Snyder Murphy (/governor/admin/fl/)	Health	Snapchat	Contact Us (/www.nj.gov/nj/feedback.html)
Cabinet (/governor/admin/cabinet/)	Law & Justice	YouTube	Privacy Notice (/www.nj.gov/nj/privacy.html)
Office of Health Care	Transportation	Contact Us	Legal Statement &
Affordability and	Transportation	Scheduling Requests	Disclaimers
	News & Events	(/governor/contact/scheduling/)	(/www.nj.gov/nj/legal.html)



Transparency	Press Releases	Contact Us	Accessibility Statement
(/governor/admin/affordablehousing/562020/governor/contacts/active.shtml)	(/governor/news/press.shtml)	(/governor/contacts/active.shtml)	(/www.nj.gov/nj/accessibility.html)
Boards, Commissions & Authorities	Photos		
(/governor/admin/bca/)	(https://www.flickr.com/photos/govmurphy)		
Internship Opportunities	Public Addresses		
(/governor/admin/internship.shtml)	(/governor/news/addresses)		
Governor's Residence -	Executive Orders		
(http://drumthwacket.org/)	(/infobank/eo/056murphy/approved/eo_archive.html)		
	Administrative Orders		
	(/governor/news/ao/approved/ao_archive.shtml)		
	Direct Appointments		
	(/governor/news/appointments)		
	Advice and Consent		
	Appointments		
	(/governor/news/acappointments)		
	Statements on Legislation		
	(/governor/news/statements/approved/statements_archive.shtml)		
	Administration Reports		
	(/governor/news/adminreports/approved/archive.shtml)		
	Transition Reports		
	(/governor/news/reports/approved/reports_archive.shtml)		
	Press Kits		
	(/governor/news/press)		

(/nj.gov/opra/)

Copyright © State of New Jersey, 1996-2023
Office of Governor PO Box 001
Trenton, NJ 08625
609-292-6000

(https://my.state.nj.us/openam/UI/Login)

(https://tech.nj.gov/)