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Governor Phil Murphy

ICYMI: Governor Murphy Announces Package of Support for NJ Entrepreneurs Affected by SVB Crisis

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Programs will provide approximately \$35m in short term support for New Jersey companies impacted by Silicon Valley Bank

TRENTON – In response to Silicon Valley Bank’s (SVB) collapse last week, Governor Phil Murphy announced that the New Jersey Economic Development Authority (NJEDA) (https://urldefense.com/v3/_https://t.e2ma.net/click/f5m38i/nrddit/f1f7j2_!!J30X0ZrnC1oQtbaImMHGEW6H4HBXbwM6h8JOang2KvL_GWAjKkd1d56yOp6sv3BI50Lbb_a1qo5dRLGNZ will be opening, and launching, a series of programs designed to provide emergency assistance to New Jersey-based companies banked by SVB.

Specifically, this package of assistance includes the re-opening of the NJEDA’s Entrepreneur Support Program, the launch of the NJEDA’s Angel Match Program (https://urldefense.com/v3/_https://t.e2ma.net/click/f5m38i/nrddit/vtg7j2_!!J30X0ZrnC1oQtbaImMHGEW6H4HBXbwM6h8JOang2KvL_GWAjKkd1d56yOp6sv3BI50Lbb_a1qo5dRLGNZ and the scheduling of a special board meeting for consideration of an emergency liquidity facility. All programs will provide necessary financial support for companies experiencing liquidity challenges due to the SVB collapse and are designed to help companies meet payroll, pay rent, and continue their day-to-day operations. Both programs will open on the NJEDA’s website early this week, with Angel Match launching on Monday, March 13th with pre-qualifications opening at 9.00am, and the Entrepreneur Support Program launching on Wednesday, March 15th.

“Ensuring the success of New Jersey’s businesses is a vital component in building a stronger and fairer New Jersey economy,” said Governor Murphy. “Now, more than ever, it is essential that our state supports companies that contribute to our economy, innovation ecosystem, and the dynamism of our cities. By offering a suite of programs for New Jersey entrepreneurs impacted by the SVB collapse, we will continue to keep residents employed and support companies that are vital to our innovation ecosystem.”

“Under Governor Murphy’s leadership, New Jersey has made monumental strides in growing our innovation economy and scaling companies of the future,” said NJEDA Chief Executive Officer Tim Sullivan. “Today’s announcement serves as a testament to New Jersey’s commitment to the success of our entrepreneurial sector, with the state pivoting almost overnight to launch programs that provide critically necessary support for entrepreneurs during times of economic uncertainty.”

Funded at \$5 million, the New Jersey Entrepreneur Support Program offers a guarantee to support repayment of an investor loan advanced for working capital purposes and is designed to encourage investors to support businesses within their portfolios during this liquidity crisis when investor support is particularly crucial. It provides an NJEDA guarantee of up to 80 percent for an eligible new loan or convertible note by a qualified investor into a New Jersey qualified business, not to exceed a \$200,000 guarantee per company.

Funded at \$20 million, the Angel Match Program will help early-stage businesses bridge funding gaps as they scale their operations and refine their products. The program, which will match up to \$500,000 in direct investments, is designed to fuel the growth of early-stage companies while increasing the pool of available capital, stimulating further investments into New Jersey’s innovation ecosystem. The funding may be used for product development, marketing, research and development, and other working capital needs. This will extend the capital support from investors during this time of uncertain banking resources.

Finally, the NJEDA board will consider the creation of a \$10 million emergency liquidity facility that will review financial support requests for New Jersey-based companies with over \$250,000 in deposits at SVB. This product is anticipated to support impacted companies with a loan of up to \$500,000 to provide short-term financing options for at most 12 months. The Authority’s board will consider the program approval at a board meeting to be scheduled in the coming week. Further details will be announced prior to the board meeting.

“During this challenging time, we remain committed to ensuring that investment dollars continue to flow to New Jersey’s emerging technology and life sciences companies,” said NJEDA Chief Economic Transformation Officer Kathleen Coviello. “Entrepreneurial businesses are critical to our state’s overall economy. The suite of programs announced today will connect them with the working capital they need to keep their operations running and will keep our innovation economy moving forward.”

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