

STATE OF NEW JERSEY

GOVERNOR PHIL MURPHY

GOVERNOR PHIL MURPHY ANNOUNCES NEW PROGRAM TO IMPROVE ACCESS TO CAPITAL FOR SMALL BUSINESSES

TRENTON – Outlined last week as part of his comprehensive economic plan to create a stronger and fairer economy in the State, Governor Phil Murphy today announced the creation of a new small business loan program through the New Jersey Economic Development Authority (EDA). The \$15 million program will provide increased access to capital for small businesses to scale their operations in New Jersey.

"From blueberry farmers to manufacturers and Main Street retailers, New Jersey's vibrant small business community will benefit significantly from a more supportive environment, including enhanced access to lending," **said Governor Murphy**. "Small businesses are the backbone of our economy and employ more than 50 percent of our workforce, so helping businesses that may have been left behind previously get capital to grow their businesses and create jobs is essential to economic growth and improving New Jersey's business climate."

The Access Program was approved today at the October Board meeting of the EDA. Access will provide borrowers, including women- and minority-owned businesses, with more flexibility by establishing requirements that place greater emphasis on cash-flow with less reliance on hard collateral. The EDA will launch Access as a 12-month pilot program that will provide financing to small businesses in New Jersey - either in the form of direct loans, or through participations or guarantees of a loan through one of EDA's 26 Premier Lender partners. The pilot phase of the program will allow the EDA to gauge the program's effectiveness as well as evaluate market feedback.

"Across New Jersey, too many small businesses – particularly businesses owned by women, minorities and veterans – struggle to access the capital they need to grow and thrive," **EDA CEO Tim Sullivan said**. "Under Governor Murphy's leadership, EDA is renewing its focus on ensuring that more of the small businesses that power our economy can access capital to help them purchase new equipment, renovate their space and hire more New Jersey residents."

A total of \$15 million will initially be available for small businesses through the pilot phase of Access. Of this, \$10 million will be in the form of loan participations or guarantees of up to 50 percent of an EDA Premier Lender loan, with a maximum EDA exposure of \$1.5 million per borrowing relationship. The remaining \$5 million of the financing available through Access will be in the form of EDA direct loans of up to \$500,000 for fixed assets and up to \$250,000 for working capital, with a maximum EDA exposure of \$750,000 per borrowing relationship.

Basic eligibility requirements for both categories of loans include:

- The business has been in operation for at least two full years.
- The average historical and global debt service over the past two years is at least 1.25x.
- The FICO score for 50 percent of the personal guarantors must be at least 700.

For more information regarding Access, please visit www.njeda.com/access (<http://www.njeda.com/access>). Applications are expected to be available beginning in November.

For Governor Murphy's full economic plan, please visit: <https://www.njeda.com/pdfs/StrongerAndFairerNewJerseyEconomyReport.aspx> (https://urldefense.proofpoint.com/v2/url?u=https-3A__t.e2ma.net_click_fpuqz_nrddit_fxwx0f&d=DwMFaQ&c=4BTEw-1msHjOY4ITcFLmDM6JB8x6ZgbU2J24IH0HZLU&r=xF3DPDNEH8rwpTwkOjb4MHQ0EgF6v3M0zt3hszQvyU&m=KMv4whRamYFeY7KV3kmzJninnYN6AgQUWeEOQ_3TUVo&0vbx2J0qUUhjvAdhEyJqPbNxcscrGQ&e=)

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