

Financial Resources for Business in Response to COVID-19

(REVISED: April 3, 2020)

For Information and eligibility on both State of NJ and Federal SBA Programs visit [Here](#)

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New Jersey Economic Development Authority (NJ EDA)

NJEDA links:

- COVID-19 Information for Business [Click Here](#)
- COVID-19 FAQ [Click Here](#)
- Grant Application will be posted [Click Here](#)
- PowerPoint overview of NJEDA COVID-19 programs, [Click Here](#)
- Determine your eligibility for NJEDA COVID-19 programs, [Click Here](#)
- Determine the potential size of your grant, [Click Here](#)
- HOTLINE for NJEDA Grant Programs: 844-965-1125 ONLY.
- NJ BAC Customer Service Center 1-800-JERSEY 7

[Small Business Emergency Assistance Grant Program*](#) – A \$5 million program that will provide grants up to \$5,000 to small businesses in retail, arts, entertainment, recreation, accommodation, food service, and other services – such as repair, maintenance, personal, and laundry services – to stabilize their operations and reduce the need for layoffs or furloughs. [Learn More Here](#)

*** Please note this fund has been exhausted**

[Small Business Emergency Assistance Loan Program](#) – A \$10 million program that will provide working capital loans of up to \$100,000 to businesses with less than \$5 million in revenues. Loans made through the program will have ten-year terms with zero percent for the first five years, then resetting to the EDA’s prevailing floor rate (capped at 3.00%) for the remaining five years.

[Community Development Finance Institution \(CDFI\) Emergency Loan Loss Reserve Fund](#) – A \$10 million capital reserve fund to take a first loss position on CDFI loans that provide

low interest working capital to micro businesses. This will allow CDFIs to withstand loan defaults due to the outbreak, which will allow them to provide more loans at lower interest rates to microbusinesses affected by the outbreak.

*Grant Program Will Open at 9:00am on Wednesday April 8, 2020 [Application Here](#)

[CDFI Emergency Assistance Grant Program](#) – A \$1.25 million program that will provide grants of up to \$250,000 to CDFIs to scale operations or reduce interest rates for the duration of the outbreak.

[NJ Entrepreneur Support Program](#) – A \$5 million program that will encourage continued capital flows to new companies, often in the innovation economy, and temporarily support a shaky market by providing 80 percent loan guarantees for working capital loans to entrepreneurs.

[Small Business Emergency Assistance Guarantee Program](#) – A \$10 million program that will provide 50 percent guarantees on working capital loans and waive fees on loans made through institutions participating in the NJEDA’s existing Premier Lender or Premier CDFI programs.

*Program Will Open on Monday, April 13, 2020 at 9:00 am. A link to the program application will be posted on the State’s [COVID-19 Business Information Hub](#).

[Emergency Technical Assistance Program](#) – A \$150,000 program that will support technical assistance to New Jersey-based companies applying for State and US Small Business Administration programs. The organizations contracted will be paid based on SBA application submissions supported by the technical assistance they provide.

- Rising Tide Capital, 384 Martin Luther King Drive, Jersey City, NJ 07305
- 201-432-4316 info@risingtidecapital.org www.risingtidecapital.org
- African American Chamber of Commerce of NJ, 379 West State Street, Trenton, NJ 08618 609-571-1620 www.aaccnj.com
- NJ State Veterans Chamber of Commerce, 65 School Road West, Marlboro, NJ 07746 732-778-7708 info@njveteranschamber.com www.njveteranschamber.com
- Statewide Hispanic Chamber of Commerce of NJ, 1280 Wall Street West, Suite 312, Lyndhurst, NJ 07071 201-935-0035 www.shccnj.org chamber@shccnj.org

US Small Business Administration (SBA)

SBA Disaster Loans and Programs:

- information resource [Click Here](#)
- loan applications [Click Here](#)
- COVID-19 Assistance [Click Here](#)
- SBA's Customer Service Center at (800) 659-2955
- SBA's email disastercustomerservice@sba.gov
- Current Express SBA lenders in Hunterdon: [Unity](#) or [TD Bank](#)
- Current Express SBA Lenders in NJ [View here](#)

[Paycheck Protection Program \(PPP\)](#) - is designed to provide the necessary cash flow to give employers the ability to maintain their payroll during this current crisis. [Click here](#) to learn more.

When to Apply

- Starting **April 3, 2020**, small businesses and sole proprietorships can apply.
- Starting **April 10, 2020**, independent contractors and self-employed individuals can apply.

Additional Resources –

- For additional information from the Treasury, including sample applications, [CLICK HERE](#)
- For more information on the PPP, who can apply and how, COVID-19 Resource Center [Click Here](#)
- US Treasury (PPP) Information Sheet [Click Here](#)
- Download the Paycheck Protection - Loan Amount Calculator. [CLICK HERE](#)

[Economic Injury Disaster Loans and Loan Advance \(EIDL\)](#) - small business owners in all U.S. states, Washington D.C., and territories are eligible to apply for an EIDL of up to \$10,000. Funds will be made available within three days of a successful application, and this loan advance may not have to be repaid.

To apply for a COVID-19 Economic Injury Disaster Loan, [click here](#).

[SBA Debt Relief](#) - will provide a reprieve to small businesses as they overcome the challenges created by this health crisis. Under this program, the SBA will also pay the principal and interest of new 7(a) loans issued prior to September 27, 2020. The SBA will pay the principal and interest of current 7(a) loans for a period of six months.

[Express Bridge Loan Pilot Program](#) allows small businesses who currently have a business relationship with an SBA Express Lender to access up to \$25,000 with less paperwork. Find an Express Bridge Loan Lender by connecting with your

The following is a chart comparing the two loan programs that have been introduced (or modified) by the CARES Act: *Please note as of 4/3/2020 *The interest rate on the PPP is being changed from .5% to 1%.*

Paycheck Protection Program		Economic Injury Disaster Loans
Eligible for Forgiveness	YES, if certain conditions are met (1)	NO
Eligibility		
Number of Employees	500 or less employees (2)	500 or less employees (2)
Ability to Repay Loan Requirement	NO	YES
Program Runs	Retroactively from 2/15/2020 to 6/30/2020	Retroactively from 1/31/2020 to 12/31/2020
Maximum Amount of Loan	The Lesser of 2.5 x's the average monthly payroll costs during the 1 yr. period before the date the loan was made plus refinance loans made from 1/31/20 to loan date or \$10,000,000. (3), (4)	The maximum loan amount is \$2,000,000
Interest Rate	Capped at 4% if conditions not met for forgiveness	From 2.75% for non-profit entities to 3.75% for all other entities.
Term	Up to 10 years	Up to 30 years
Collateral Requirement	None (5)	Yes, for loans >\$25,000 (6)
Loan Proceeds Must Be Used For	Payroll Costs, group health care benefits, including health insurance premiums, sick leave, medical leave and/or family leave; mortgage or other interest on debts incurred prior to February 15, 2020; and rent and utilities. (1)	Payroll and certain types of sick/medical leaves; mortgage or rent payments; debts that could not be repaid due to decreased or lost revenue; and Other expenses needed to operate the business
Deferral of Loan Payments	YES (7)	NO
Application Process	Through authorized banking institutions	Through SBA website
NOTES		
(1) Loan proceeds used for the eligible expenditures listed above for an 8-week period beginning on the date the loan is received are eligible for 100% forgiveness. Amounts eligible for forgiveness will be proportionately reduced to the extent there is a year-over-year reduction in retained workers, although qualifying small businesses will be allowed to rehire previously terminated personnel without penalty.		
(2) Eligibility under Paycheck Protection Program have exceptions for accommodation and food service industry, affiliated groups and certain businesses in SBA-designated industries. Eligibility under Economic Injury Disaster Loans certain SBA-designated business industries may also be eligible despite headcount in excess of 500 employees.		
(3) Payroll Costs up to \$100,000 in annual compensation (pro-rated from February 15, 2020 - June 30, 2020) include: Salary, wages, commissions or similar compensation, including cash tips; Vacation, parental leave, family leave medical or sick leave; Severance payments; Group health care payments; Retirement benefits; and State or local tax assessed on the compensation of employees		
(4) Special rules exist for businesses that were not in existence from February 15, 2019 – June 30, 2019.		
(5) There would be no borrower and/or lender fees and collateral and/or personal guarantees would not be necessary.		
(6) Although applicants will not necessarily be rejected strictly for lack of collateral.		
(7) Potentially for 6 to 12 months payments can be deferred		

SBA (Non-Disaster) Products and Resources:

Access to Capital - SBA provides a number of loan resources for small businesses to utilize when operating their business. For more information on loans or how to connect with a lender. visit: <https://www.sba.gov/funding-programs/loans>.

SBA 7(a) Loans - 7(a) program offers loan amounts up to \$5,000,000 and is an all-inclusive loan program deployed by lending partners for eligible small businesses within the U.S. States and its territories. The uses of proceeds include: working capital; expansion/renovation; new construction; purchase of land or buildings; purchase of equipment, fixtures; lease-hold improvements; refinancing debt for compelling reasons; seasonal line of credit; inventory; or starting a business.

SBA 504 Business Loans - 504 loan program is designed to foster economic development and job creation and/or retention. The eligible use of proceeds is limited to the acquisition or eligible refinance of fixed assets.

Express loan program - provides loans up to \$350,000 for no more than 7 years with an option to revolve. There is a turnaround time of 36 hours for approval or denial of a completed application. The uses of proceeds are the same as the standard 7(a) loan.

Community Advantage loan pilot program - allows mission-based lenders to assist small businesses in underserved markets with a maximum loan size of \$250,000. The uses of proceeds are the same as the standard 7(a) loan.

Microloan program - involves making loans through nonprofit lending organizations to underserved markets. Authorized use of loan proceeds includes working capital, supplies, machinery & equipment, and fixtures (does not include real estate). The maximum loan amount is \$50,000 with the average loan size of \$14,000.

Exporting Assistance - SBA provides export loans to help small businesses achieve sales through exports and can help these businesses respond to opportunities and challenges associated with trade, such as COVID-19. The loans are available to U.S. small businesses that export directly overseas, or those that export indirectly by selling to a customer that then exports their products.

Export Express loan program allows access to capital quickly for businesses that need financing up to \$500,000. Businesses can apply for a line of credit or term note prior to finalizing an export sale or while pursuing opportunities overseas, such as identifying a new overseas customer should an export sale be lost due to COVID-19.

Export Working Capital program enables small businesses to fulfill export orders and finance international sales by providing revolving lines of credit or transaction-based financing of up to \$5 million. Businesses could use a loan to obtain or retain overseas customers by offering attractive payment terms.

[International Trade loan program](#) helps small businesses engaged in international trade to retool or expand to better compete and react to changing business conditions. It can also help exporting firms to expand their sales to new markets or to re-shore operations back to the U.S.

Government Contracting - SBA is focused on assisting with the continuity of operations for small business contracting programs and small businesses with federal contracts. For more information on federal contracting, visit <https://www.sba.gov/federal-contracting/contracting-guide>

[8\(a\) Business Development program](#) serves to help provide a level playing field for small businesses owned by socially and economically disadvantaged people or entities, and the government limits competition for certain contracts to businesses that participate. The 8(a) program offer and acceptance process is available nationwide, and the SBA continues to work with federal agencies to ensure maximum practicable opportunity to small businesses. 8(a) program participants should stay in touch with their Business Opportunity Specialist (BOS).

[HUBZone program](#) offers eligibility assistance every Thursday from 2:00-3:00 p.m. ET at 1- 202-765-1264; access code 63068189#. Members of the HUBZone team answer questions to help firms navigate the certification process. For specific questions regarding an application, please contact the HUBZone Help Desk at hubzone@sba.gov.

[Women-owned Small Business](#) firms who have questions, please visit www.sba.gov/wosbready or write to wosb@sba.gov.

Business Tax Provisions in the CARES Act*

****Please note: These Tax provisions may not apply to all business entities. Please consult your CPA for Details.***

Payroll Tax Delay - Employers and self-employed individuals can defer payment of the 6.2% employer share of Social Security taxes on employee wages from 3/27/2020 to 12/31/2020.

Employee Retention Credit - Eligible employers could receive a 50% payroll tax credit on qualified wages each quarter to encourage the retention of employees who cannot work due to a COVID-19

Net Operating Losses (NOLs) - The law temporarily suspends the 80% taxable income limitation.

Limitation on Business Interest 163 (j) - The new law relaxes the limitation on the deduction of business interest.

Charitable Contributions - The law increases the limitation of qualifying charitable contributions (QCC) made in 2020 from 10% to 25% of corporation's taxable income.

Non-Profit Sector Programs

UCEDC - Micro-Loan for Working Capital*

****Please note this fund has been exhausted***

Crisis Relief Loan Program is designed to provide broad access to much-needed working capital. The program features a quick turn-around (after completing the application requirements), no collateral requirements, no pre-payment penalties, and no processing or application fees. UCEDC is offering a low-interest, quick-response, working capital loan program. Small business owners can borrow up to \$15,000 at 2% for up to five years with no collateral requirements to meet their COVID-19 crisis needs. For additional information on this special loan and for other loan products visit:

<https://ucedc.com/crisisrelief/>. Or to apply, fill out their [Loan Pre-Qualification Form](#) or speak to one of their loan officers at 908-527-1166.

RBAC - Regional Business Assistance Corporation

Loan Program [Learn more Here](#)

Other Resources

US CHAMBER GUIDES FOR THE CARES ACT

The U.S. Chamber of Commerce has created guides for three of the popular federal CARES Act programs. Use the following links to download the guides:

- **NEW** [Guide to SBA's Economic Injury Disaster Loans \(EIDL\)](#)
- **NEW** [Guide to the Employee Retention Tax Credit](#)
- **UPDATED** [Coronavirus Emergency Loans Small Business Guide and Checklist \(Paycheck Protection Program\)](#)