



Statewide Loan Pool Program

IF YOU ARE: A New Jersey-based business that creates or maintains jobs, located in a financially targeted municipality, or represent an industry which the EDA has targeted for assistance, including manufacturing, industrial, high-tech and more.

YOU CAN APPLY FOR: A combination of EDA and bank financing under the Statewide Loan Pool Program.

TO BE USED FOR: Working capital to meet operating needs, fixed assets, or limited instances of debt restructuring.

MAXIMUM AMOUNTS:

Fixed Assets

Loan: \$1.25 million

Guarantee: \$1.5 million

Total Exposure: \$2.75 million

Working Capital

Loan: \$750,000

Working Capital Guarantee: \$1.5 million

Total Exposure: \$2.25 million

BENEFITS: Direct EDA participation in the Statewide Loan Pool Program makes the financing more economical and can help ensure the viability of a company's project. Businesses receive the benefit of a below-market, blended interest rate through the combination of EDA and bank lending.

PROGRAM DETAILS: Under the Statewide Loan Pool Program, the EDA can participate in or guarantee up to 50% of a bank loan. On fixed asset transactions the EDA maximum loan participation is \$1,250,000 and the maximum guarantee is \$1,500,000 for an overall maximum exposure of \$2,750,000. For working capital, the maximum loan participation is \$750,000 and the maximum guarantee is \$1,500,000 for an overall maximum exposure of \$2,250,000.

Terms generally match that offered by the bank, but are limited to 10 years with amortization up to 20 years.

To be eligible for the program, the business or nonprofit entity must meet one of the following criteria:

- Is located in a targeted or Urban Aid municipality
- Operated within an industry targeted for financing, such as manufacturing, industrial, or technology
- Create one new job for every \$50,000 of EDA assistance

FEES:

- Application fee: \$500 upon bank approval, non-refundable

- Commitment Fee: \$750 upon acceptance of EDA's commitment letter, non-refundable
- Guarantee fee: $\frac{1}{2}\%$ of the guarantee exposure times the years guarantee is in effect (if required)
- Extension fee: \$750 for each extension
- Bank fees negotiated between bank and borrower