

Small Business Emergency Loan Program Summary As of 3/24/2020

Purpose: To provide working capital lines of credit to small businesses and nonprofits negatively impacted by the COVID-19 pandemic. Given the emergency nature of these loans, NJCC and its partners will aim to process loan applications within 10-14 business days.

Eligible Borrowers: Businesses and nonprofits, with three to 25 full-time employees are eligible for financing. The loan program will be statewide.

Loan Amounts: Estimated to begin at \$10,000 up to a maximum of \$100,000. Loans of a larger dollar amount will be considered on a case-by-case basis. NJCC's program contemplates loans only up to \$100,000. However, should larger loans be provided, the attached table contemplates criteria for larger loans.

Terms: Loan Terms of up to 36 months. Advances will be made, no more than once/month, during the first 6 months. During the draw period, no payments will be required. Thereafter, monthly interest-only payments for the next six months, followed by monthly payments of Principal & Interest to amortize the loan during the remaining term.

Repayment: The Borrowers shall make monthly payments in accordance with the loan terms set forth above. All payments shall be made via ACH.

Interest Rate: No more than 3.00%, fixed.

Advances: Eligible advances under the lines will fund the purchase of inventory; fund rent/mortgage payments; expenses for salaries (subject to verification and limits); monthly insurance and utilities as well as other recurring working capital expenses, as approved by NJCC. All advances will require documentation as deemed appropriate by Lender based on the type of advance and may include copies of purchase orders; invoices; leases; salary verifications and certifications. Advances will be made on a monthly basis, upon submission of requisition by Borrower together with appropriate supporting documentation.

Application Requirements:

1. Must complete an application.
2. Must have been in business for at least one (1) year and have filed a 2018 tax return. If 2019 return was filed, will also be required.
3. Must have a formal lease in place, if the property is not owned.
4. Submission of personal financial statement (SBA form 413) and 2018 personal tax return for all business owners who own a share of 20% or greater.
5. Borrowers will be required to sign a certification with each advance request indicating they have not received funding from any other sources for the same expenses.
6. Any other conditions as deemed appropriate by NJCC.

Underwriting Requirements:

1. Personal guarantees of owners.
3. Satisfactory lien, judgment, bankruptcy and patriot searches.

4. Satisfactory credit report – minimum average score of owners of 625 or 640, depending on loan size (as outlined below).
5. Minimum debt service coverage of 1.00x or 1.10x based on most recent financial statement or tax return and criteria outlined below, based on loan size.
6. Copies of existing insurance certificates and copies of claims filed under insurance coverage for business interruption, if applicable.
7. If applicable, copies of all applications/filings with New Jersey State agencies, and/or the Small Business Administration.

Legal Closing: NJCC will use existing legal documents, as modified to provide for standardized loan closing and documentation. If appropriate and when it is common practice, NJCC will permit closings to be facilitated by a local title company to be named by NJCC.

Fees: There will be no fees charged to the Borrower for this loan.

For further information regarding this program, please contact Jorge Cruz at 732.640.2061, ext. 412 or email jscruz@njclf.com.



	EMERGENCY FUND	EMERGENCY FUND PREMIUM
AMOUNT	Up to \$100,000	Over \$100,000 up to \$250,000
INTEREST RATE	3.00%, fixed	
TERM	Loan Terms of up to 36 months. Advances will be made, no more than once/month, during the first 6 months. During the draw period, no payments will be required. Thereafter, monthly interest-only payments for the next six months, followed by monthly payments of P & I to amortize the loan during the remaining term.	
ELIGIBLE ADVANCES	Eligible advances under the lines will fund the purchase of inventory; fund rent/mortgage payments; expenses for salaries (subject to verification and limits); monthly insurance and utilities as well as other recurring working capital expenses, as approved by NJCC. All advances will require documentation as deemed appropriate by Lender based on the type of advance and may include copies of purchase orders; invoices; leases; salary verifications and certifications. Advances will be made on a monthly basis, upon submission of requisition by Borrower together with appropriate supporting documentation.	
AVERAGE FICO SCORE MINIMUM	625	640
DEBT SERVICE COVERAGE	1.00x	1.10x
YEARS IN BUSINESS	One year prior to April 2020	Two years prior to April 2020
COLLATERAL	UCC-1 on all assets; Personal Guarantee of Owner(s)	
REPORTS	Satisfactory lien, judgment, bankruptcy and patriot searches	
REQUIRED DOCUMENTS	Completed NJCC Application At least one year of personal tax returns of business owners At least one year of business tax return SBA Personal Financial Statement Copy of recent business checking account statement Other, as determined by NJCC	
APPLICATION DEADLINE	PROGRAM ONGOING FOR AT LEAST 12 MONTHS	