

# Micro Lender Support Grant Program

For eligible Community Development Financial Institutions (CDFIs), Minority Depository Institutions (MDIs) and other organizations that lend to New Jersey micro businesses

## LEARN MORE

at

<https://www.njeda.com/micro-lender-support-grant-program/>

The Micro Business Lender Support Grant Program is a pilot program that will make grant funding available to support organizations such as Community Development Financial Institutes (CDFIs), Minority Depository Institutions (MDIs), and other organizations that lend to New Jersey micro businesses.

Given the urgent need for funding and resources by micro businesses, applications will be reviewed on a **first come first served basis**.

**ONLY FOR ELIGIBLE LENDERS — BUSINESSES OWNERS ARE NOT ELIGIBLE**

## Program Details

Under the Micro Lender Support Grant Program, the Authority invites CDFIs, MDIs and other entities that meet the eligibility criteria to apply for grant funding of up to

**\$200,000 per entity**

Grantees will have 12 months from date of execution of grant agreement to use grant funding.

## Eligible Applicants

### Community Development Financial Institutions (CDFIs)

- All CDFIs must produce documentation that they are recognized by US Department of Treasury as a CDFI.
- If a CDFI received previous grant funds through the CDFI Emergency Assistance Grant Program, those proceeds must be fully used to be eligible to apply for Micro Lender Support Grant program

### Minority Depository Institutions (MDIs)

- All MDI's must provide documentation that they are recognized by the FDIC.

Entities defined as "other eligible lenders" under Subsection b. of Section 86 of P.L. 2020, c. 156, which includes:

- Zone development corporation as defined in section 3 of P.L. 1983, c. 303 (C,52:27H-62) that is located in a municipality with a population greater than 100,000, or;
- Nonprofit lender with at least 10 years' experience lending to micro businesses

All applicants must have 10 years' experience lending to micro businesses

*continued*

## Eligible Uses

**Grant funding must be used to:**

- Support increased operating expenses that allow the grant applicant to expand their operations to directly serve New Jersey businesses. This may include, but is not limited to: technical support services for New Jersey based businesses, underwriting capacity related to a loan product that serves New Jersey businesses, the hiring of additional staff to better serve or market to New Jersey businesses; and/or
- Allow the entity to buy down interest rates on any COVID-19 related emergency or recovery working capital loan for a NJ business, or start a targeted lending initiative focused on providing access to capital to underserved micro and small NJ business, thereby lowering the cost and providing more flexibility to the borrower.

## Fees

**Due to financial hardship, no fees will be collected by the Authority for this program.**

## More Information

**All applicants must:**

- Provide a current NJ Tax clearance certificate at time of application
- Be verified by the NJEDA to be in good standing with Department of Labor and Workforce Development (LWD)

**Applicants will be evaluated for a grant based on their ability to demonstrate the following key factors:**

- Significant experience working with underserved micro and small business segments. Additional consideration will be given for experience working on emergency assistance programs.
- Demonstration of available capital that could be leveraged in COVID-19-related emergency and recovery low-cost and low-interest working capital loans or a targeted micro lending program to serve underserved businesses.
- Significant experience working in communities and business segments underserved by the banking sector and other financial institutions
- Deep experience and focus on small business lending, as evidenced by having a significant portion of their lending portfolio be with small businesses. Additional consideration will be given for having a portion of their lending portfolio with emergency assistance programs.

**Authority staff will require documentation on a quarterly basis validating the operational expenses or interest buy down for which the entity requested the grant disbursement.**

This documentation may include, but is not limited to:

- Invoices, statements, receipts, or internal financial statements that support payroll costs and marketing costs.
- If the entity identifies that they will use the grant funding to lower rates, they will need to provide documentation on the impact the grant had on the rates.

More information available on our website at

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