

DIRECT LOAN

Direct Loans are one solution in the NJEDA's portfolio of programs designed to increase access to capital and support the growth of small businesses in New Jersey

LEARN MORE
at

<https://www.njeda.com/directloans/>

Program Details:

New Jersey businesses in need of financing and committed to job creation/retention may be eligible for direct loans through EDA when financing is not available under other EDA financing programs.

Up to **\$2 million** for fixed assets*, or up to **\$750,000** for working capital to be used for fixed assets or working capital.

Direct Loans offer companies lower interest rates, longer terms, and a fixed rate.

Eligibility

To be eligible for the program, the borrower must create or maintain one job for every \$65,000 of EDA assistance.

Terms

- EDA direct loans provide the following terms: Up to 5 years for working capital, up to 10 years for new equipment and 5 years for used equipment, and 20 years for real estate transactions.
- The base rate is the 5- Year United States Treasury or 1%, whichever is higher; the rate may also be adjusted based upon the applicant's creditworthiness.
- * Pursuant to P.L.2017, c.261, direct loans of up to \$3 million may be available to qualified businesses in targeted urban centers, regional centers, and metropolitan planning areas.

Fees

- Application fee: \$1,000
- Commitment fee: 0.875% of loan amount
- Closing fee: 0.875% of loan amount

** All fees are non-refundable

continued

More Information

Division of Taxation Tax Clearance Certificate required. Certificates may be requested through the State of New Jersey's Premier Business Services (PBS) portal online.

- Under the Tax & Revenue Center, select Tax Services, then select Business Incentive Tax Clearance.
- If the applicant's account is in compliance with its tax obligations and no liabilities exist, the Business Incentive Tax Clearance can be printed directly through PBS.

It is the applicant/client's responsibility to maintain a current and clear tax clearance certificate. If a current and clear certificate is not evidenced to NJEDA at time of closing, NJEDA will not proceed with closing.

Prevailing Wage

Projects utilizing NJEDA financial assistance for construction related costs are subject to state prevailing wage requirements.

Effective April 1, 2020 all construction contracts in which prevailing wage applies must provide proof of valid NJ Department of Labor Construction Registration Certification. Please email PWCR@dol.nj.gov if you have any questions about this requirement. Please be advised that a valid Contractor Registration Certificate is required to perform construction on this NJEDA financially assisted project.

More information available on our website at

<https://www.njeda.com/directloans/>



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