



## SSBCI Recovery Loan Loss Reserve Application Checklist

[Recovery Loan Loss Reserve Fund - NJEDA](#)

Contact [BusinessBanking@njeda.gov](mailto:BusinessBanking@njeda.gov) for any questions.

Required Documents	
1. Completed NJEDA online application and \$1000 application fee (paid by credit card)	<input type="checkbox"/>
2. Reviewed all applicant and borrower eligibility requirements as outlined in the <a href="#">Recovery Loan Loss Reserve Board Memo</a> and <a href="#">Recovery Loan Loss Reserve Program Specifications</a> .	<input type="checkbox"/>
3. Review SSBCI compliance guidelines and reporting requirements as outlined in the <a href="#">SSBCI Capital Program Policy Guidelines</a> and <a href="#">Capital Program Reporting Guidance</a>	<input type="checkbox"/>
4. Provide documentation to verify the applicant is a certified Community Development Finance Institutions (CDFI) by the US Department of Treasury OR a Minority Depository Institution. <b>CDFIs/MDIs can be based outside of NJ but must use funds to service eligible NJ based businesses only.</b> CDFIs must provide: <ul style="list-style-type: none"> <li>- Current notice of CDFI Certification issued by the Department of the Treasury</li> <li>- CDFI Certification Number</li> </ul> MDIs must provide: <ul style="list-style-type: none"> <li>- Provide Letter of MDI recognition issued by the FDIC</li> <li>- RSSD ID Number</li> </ul>	<input type="checkbox"/>
5. Current NJ Tax Clearance Certificate from the NJ Division of Taxation (cannot be approved until received)	<input type="checkbox"/>
6. Applicants must be in substantial good standing with the NJ Department of Labor and Workforce Development, and the NJ Department of Environmental Protection prior to approval	<input type="checkbox"/>
7. Applicant’s formation documents <ul style="list-style-type: none"> <li>- <b>LLC:</b> <a href="#">Certificate of Formation</a> and <a href="#">Operating Agreement</a></li> <li>- <b>Corporation:</b> <a href="#">Certificate of Incorporation and Bylaws</a></li> <li>- <b>Out of State:</b> <i>If your entity was not formed in NJ, you must provide a NJ Certificate of Authority</i></li> </ul>	<input type="checkbox"/>
8. Not for Profit Entities, provide the following <ul style="list-style-type: none"> <li>- <a href="#">Certificate of Incorporation and Bylaws</a></li> <li>- Non-profit determination letter from the IRS</li> </ul>	<input type="checkbox"/>
9. If the entity has a “Doing Business as” Name <ul style="list-style-type: none"> <li>- Please be prepared to provide a Certificate of Alternate Name</li> </ul>	<input type="checkbox"/>
10. Entity organizational chart with description of staff positions, key personnel, and resumes	<input type="checkbox"/>
11. Financial Statements – Please be prepared to provide the following: <ul style="list-style-type: none"> <li>- Last three consecutive years of complete federal tax returns or audited financial statement</li> <li>- Interim P&amp;L and balance sheets</li> </ul>	<input type="checkbox"/>

<p>12. List of operating revenue sources (including restrictions on amounts, conditions, etc.) and demonstration of funding commitments from outside sources.</p> <ul style="list-style-type: none"> <li>- This may include, but is not limited to, term Sheets or Commitments from any lenders or list of other sources of funding</li> </ul>	<input type="checkbox"/>
<p>13. At time of application the following SSBCI Certifications will need to be completed and signed:</p> <ul style="list-style-type: none"> <li>- <a href="#">Lender / Investor Use of Proceeds and Conflict of Interest Certification</a></li> <li>- <a href="#">Sex Offender Lender / Borrower Certification</a></li> </ul>	<input type="checkbox"/>
<b>Eligible Loan Criteria Related Information</b>	
<p>1. Loan guarantees are only applicable to new or existing lending programs that would include the following features:</p> <ul style="list-style-type: none"> <li>- Loan minimum is \$10,000 and maximum is \$250,000</li> <li>- Loan applicants can be for-profit or non-profit entities with commercial business locations within NJ.</li> <li>- Loan can include Loan interest rate cannot exceed 12%,</li> <li>- Deferred payments, moratoriums or interest only for up to 12 months,</li> <li>- Loan term cannot exceed 7 years,</li> <li>- Collateral and personal guarantees are permissible but not required</li> <li>- Minimum global debt service coverage ratio of 1.0</li> <li>- If creating a new program, then minimum credit score must be under 650</li> <li>- Only working capital loan programs are eligible for this product.</li> <li>- Examples of permitted uses include payroll, marketing, inventory, rent, mortgage/property tax payments, utilities, or any other expenses that are applicable to the daily operation of the business.</li> <li>- <b>Ineligible expense uses:</b> any refinancing of existing debt, purchases of equipment, construction, reconstruction, demolition, alteration, repair work, maintenance work, or construction related to installation of equipment where such activity exceeds \$1,999.99.</li> </ul>	<input type="checkbox"/>
<p>2. All loans registered under the for the guarantee must meet all SSBCI requirements per <a href="#">SSBCI Capital Program Policy Guidelines</a> and <a href="#">Capital Program Reporting Guidance</a></p>	<input type="checkbox"/>
<p>3. Provide documentation of the funding source to be utilized for this loan program <b>**The loan product cannot be funded through a federal funding source**</b></p>	<input type="checkbox"/>
<p>4. Demonstration of available capital that can be leveraged into low-cost financing</p>	<input type="checkbox"/>
<p>5. Provide supporting documentation for the new or existing loan product that will be supported by the loan guarantee. This must include the following:</p> <ul style="list-style-type: none"> <li>- Detailed product description</li> <li>- Product term sheets,</li> <li>- Eligibility criteria, Loan terms, Fees</li> <li>- Underwriting criteria,</li> <li>- Product marketing information</li> </ul>	<input type="checkbox"/>
<p>6. Clearly Describe how the new or existing product is consistent with NJEDA's requirements, which can be found in the <a href="#">Recovery Loan Loss Reserve Board Memo</a> and <a href="#">Recovery Loan Loss Reserve Program Specifications</a>.</p> <ul style="list-style-type: none"> <li>- If the entity has ran a previous guarantee product, highlight that product and its success. As part of your description, please</li> </ul>	<input type="checkbox"/>
<p>7. Be prepared to describe in detail your entity's plan for how this product will be marketed to attract new NJ businesses.</p> <ul style="list-style-type: none"> <li>- As part of that response, please highlight what steps will be taken to ensure the loan product will serve all business owner</li> </ul>	<input type="checkbox"/>

8. Provide a sample loan documents (including application, loan agreement, and promissory note)	<input type="checkbox"/>
9. Provide an example of marketing materials in languages other than English	<input type="checkbox"/>
<b>CDFI / MDI Lending Experience Related Information</b>	
1. Be prepared to provide a high-level, 2-3 short paragraph description of the applicant company. This may include: <ul style="list-style-type: none"> <li>– The type of business you are involved in, your company's mission statement,</li> <li>– The markets or customer base the company serves, and</li> <li>– any other information about your business that the NJEDA should understand to review your application</li> </ul>	<input type="checkbox"/>
2. Be prepared to describe in full detail any prior lending experience or current focused lending efforts your entity has toward small and micro business lending. Include: <ul style="list-style-type: none"> <li>– Products offered now or previously offered and funding sources secured to administer these products.</li> <li>– If these products were successfully utilized and all funding was deployed,</li> <li>– Underwriting procedures or standards followed, or any other keys factors that would make them a demonstration of success</li> </ul>	<input type="checkbox"/>
3. Be prepared to provide an overview of all portfolio activity up to the date of this application and describe how your lending capacity and efforts have grown in the last year current, Include: <ul style="list-style-type: none"> <li>– Provide current lending portfolio demonstrating lending capacity</li> <li>– Current portfolio status report and risk analysis (including aging or portfolio), if applicable</li> </ul>	<input type="checkbox"/>
4. Provide lending and risk management policies	<input type="checkbox"/>
5. Be prepared to explain the entity’s policy or plan for serving communities and business segments underserved by the traditional banking sector and other financial institutions. <ul style="list-style-type: none"> <li>– Please also describe any experience your entity has with serving those markets and/or complying with the policy or plan you have described.</li> </ul>	<input type="checkbox"/>
6. Be prepared to explain how the applicant has the proper and necessary staffing to demonstrate administer this guarantee effectively	<input type="checkbox"/>
<b>CDFI/MDI DE&amp;I Related Information</b>	
1. Be prepared to describe whether your organization’s leadership team is made up of a diverse group of individuals. <ul style="list-style-type: none"> <li>– Provide as much detail as possible about the composition of your leadership team as it relates to groups that have been historically underrepresented (minority, woman, veteran, LGBTQ, disabled)</li> </ul>	<input type="checkbox"/>
2. Be prepared to describe whether your organization’s Board of Directors is made up of a diverse group of individuals. <ul style="list-style-type: none"> <li>– Provide as much detail as possible about the composition of your Board of Directors as it relates to groups that have been historically underrepresented (minority, woman, veteran, LGBTQ, disabled).</li> </ul>	<input type="checkbox"/>
3. Be prepared to provide information about any actions your organization has taken or is taking with respect to Diversity, Equity, and Inclusion	<input type="checkbox"/>