



MEMORANDUM

TO: Members of the Authority

FROM: Tim Sullivan
Chief Executive Officer

DATE: February 9, 2022

SUBJECT: Main Street Lenders Grant Product

Summary

The Members are asked to approve:

1. Creation of the Main Street Lenders Grant product - a pilot product under the Main Street Recovery Finance Program that will offer lending grants of up to \$1,000,000 to be used by eligible micro business lenders to create new or supplement existing micro business loan products; these lenders would also be eligible for an additional technical assistance grant equal to 50% of the lending grant request to better prepare micro businesses to qualify for these or other loan products. The Main Street Lenders Grant product will be available to Community Development Financial Institutions (CDFIs), Minority Depository Institutions (MDIs), and other eligible lenders, as defined in New Jersey Economic Recovery Act of 2020 (Sections 82 through 88 of P.L. 2020, c. 156) and later amended by Sections 40 through 43 of P.L. 2021 c.160.
2. Main Street Recovery Fund utilization of up to \$15 million to fund the Main Street Lender Grant pilot product, with delegation to the Chief Executive Officer to increase funding to \$22.5 million in the event that demand exceeds the \$15 million in available funding.
3. The utilization of 3% (\$450,000 up to \$675,000) in addition to the funding allocated to this product to be used by the Authority to support administrative costs that are needed to administer the Main Street Lenders Grant product.
4. Delegation to Authority staff (Chief Community Development Officer, Managing Director Community Development, and Director of Small Business Services) to approve individual applications to the Main Street Lenders Grant Program in accordance with the terms set forth in the attached program specifications and to decline applicants based solely on non-discretionary reasons. For final administrative decisions

based solely on non-discretionary reasons, delegated authority is requested for approval by a Chief Legal & Strategic Affairs Officer, any Vice President, or the Director Legal Affairs.

Background

On January 7, 2021, Governor Phil Murphy signed the New Jersey Economic Recovery Act of 2020 (ERA) into law. The ERA presents a strong recovery and reform package that will address the ongoing economic impacts of the COVID-19 pandemic and position New Jersey to build a stronger and fairer economy that invests in innovation, in our communities, and in our small businesses the right way, with the protections and oversight taxpayers deserve. Tax incentives and other investment tools are critical to economic development, and when used correctly they can drive transformative change that uplifts communities and creates new opportunities for everyone. On July 7, 2021, Governor Murphy signed P.L. 2021 c.160 further improving the programs established under the New Jersey Economic Recovery Act of 2020.

One of the 15+ programs under the ERA is the Main Street Recovery Finance Program, a small business support program under which individual financial assistance products will be created, all of which will share a common purpose of supporting the growth and success of small businesses in New Jersey. As of today, \$100 million has been appropriated for the Main Street Recovery Fund, which funds products in the Main Street Recovery Finance Program. On August 11, 2021, the Members approved the creation of special adopted rules creating the Main Street Recovery Finance Program. These rules created two initial products under the Main Street Program – the Small Business Lease Assistance Grant and the Small Business Improvement Grant. On November 13, 2021, the Members approved the creation of a third pilot product, the Main Street Micro Business Loan, under the Main Street Program. At the time each of these products were approved, Members were advised that requests to create additional pilot products under the Main Street Recovery Finance Program would be forthcoming. This item represents a request to create a fourth pilot product under the Main Street Program – the Main Street Lenders Grant product.

While the other products established under Main Street by the NJEDA provide direct funding to small and micro businesses in the form of lease assistance and business improvement grants, as well as low-interest, forgivable loans, the Authority has previously provided support to other lenders, for the purpose of establishing or supplementing loan products designed for micro businesses, given that some micro businesses have difficulties accessing financing through the traditional banking sector. For example, the Authority created the Community Development Finance Institution (CDFI) Emergency Assistance Grant Program and the Micro Lender Support Grant Program – both of which were designed to provide grant funding to various micro business lending organizations to allow these organizations to scale operations, meet massive demand for financing among New Jersey micro businesses, and provide loans to micro businesses at low interest-rates.

The Main Street Recovery Finance Program under the ERA defines a host of eligible lenders to whom the Authority is authorized to provide grant funding using the Main Street Recovery Fund. Therefore, the Members approval is requested to approve the creation of the Main Street Lenders Grant pilot product to provide grant funding to CDFIs (including non-New Jersey-based CDFIs serving New Jersey micro and small businesses), Minority Depository Institutions (MDIs), and

other organizations that meet the definition of “other eligible lenders” as defined under Subsection b. of Section 86 of P.L. 2020, c. 156 (NJSA 34:1B-353), which includes a zone development corporation (as defined in NJSA 52:27H-62) that is located in a municipality with a population greater than 100,000, or another nonprofit lender with at least 10 years’ experience lending to micro businesses.

Product Details

The Main Street Lenders Grant pilot product will offer two types of grants to eligible entities. The first type of grant is a lending grant – or a grant that will be used as funding for new micro business lending products or as supplemental funding for existing micro business lending products. The maximum lending grant that can be awarded to each entity is \$1 million.

Recognizing that micro businesses not only need financing, but assistance with applying and qualifying for such financing, the second type of grant that will be made available through this product, as a complement to the lending grant, is a technical assistance grant. This grant will support eligible entities with the costs associated with providing technical assistance to micro businesses to best prepare and position these micro businesses to qualify for micro business loans. The maximum technical assistance grant an eligible entity can receive is 50% of their lending grant amount (not to exceed \$500,000). Only lenders that receive a lending grant are eligible for the technical assistance grant.

Eligible lenders will be those as defined in New Jersey Economic Recovery Act of 2020 (Sections 82 through 88 of P.L. 2020, c. 156) and later amended by Sections 40 through 43 of P.L. 2021. Beyond meeting the statutory definition, the Authority will require that any entity applying for the lending grant have a demonstrated history of 10 years’ experience serving small and micro businesses. Furthermore, any entity applying for the technical assistance grant must demonstrate two years’ experience providing technical assistance to micro businesses – either directly, or in collaboration with a technical assistance partner. The intent is for these grants to enable entities to provide micro businesses with technical assistance, and then to be able to offer a loan product to the micro business upon completion of the technical assistance.

As part of this Main Street Lenders Grant pilot product, the Authority is establishing parameters around the type of loan products the micro business lender can offer using the Main Street Lenders Grant. Loan products created by eligible entities using the Main Street Lenders Grant must meet the following specifications:

- Must be for micro businesses that have less than 10 full time employees at the time of application and have less than \$1.5 million in annual revenue (based on their last federal tax return required to be filed).
- The micro business must have a commercial location in New Jersey, which can be a home-based business.
- Loans may be used by the micro business for any purpose except restructuring existing debt or financing, any construction, reconstruction, demolition, alteration, repair work, maintenance work, or construction related to installation of equipment where such activity exceeds \$1,999.99. Additionally, home-based businesses are not permitted to use the working capital loans for rent/mortgage/property tax payments or utilities or for the purchase of equipment that attaches to the property. Examples of permitted uses are

equipment purchases, rolling stock, and operating expenses such as payroll, marketing, inventory, rent, mortgage/property tax payments, utilities, or any other expenses that are applicable to the daily operation of the business.

- Home-based businesses, non-profit organizations, for-profit entities, sole proprietors, and/or startups may be eligible to participate in the program that will be funded through the Main Street Lenders Grant.
- All entities will be required to collect a current NJ Business Tax Clearance Certificate from applicants unless the applicant is a non-profit that is not required to register with the Division of Taxation. The minimum credit score required of the micro business to qualify for the loan must be under 650.
- Terms of the loan to applicants can go up to a 10-year term.
- Upon loan closing, a payment moratorium period of at least 12 months must be provided to the micro businesses.
- Loan product being offered must be fully amortizing to avoid balloon payments.
- Interest rates cannot exceed 5% on each loan.
- Loan amounts must be no greater than \$100,000 and no lower than \$10,000.
- Must allow for a minimum Debt Service Coverage Ratio on this program of 1.0, but personal cash flow of owners who are personal guarantors may be considered
- Application fees may be charged but cannot exceed 1% of the loan amount.
- No prepayment penalty can be charged to the micro businesses.
- Collateral and personal guarantees are optional, as determined by lending entity
- Program can allow for loan modifications as determined by entity.
- Each entity must lend and disburse 40% of the total lending grant to businesses located in Opportunity Zone eligible census tracts (as explained below).
- All lending and technical assistance funds must be disbursed within 3 years from NJEDA grant closing date.
- Lenders cannot provide any financial assistance to micro businesses that are engaged in any of the following: the conduct or purveyance of “adult” (i.e., pornographic, lewd, prurient, obscene or otherwise similarly disreputable) activities, services, products or materials (including nude or seminude performances or the sale of sexual aids or devices); any auction or bankruptcy or fire or “lost-our-lease” or “going-out of business” or similar sale; sales by transient merchants, Christmas tree sales or other outdoor storage; or any activity constituting a nuisance. Lenders can use any financial assistance to restructure or refinance of existing debt.

In addition to the lending grant, an entity can also apply for a technical assistance grant for up to 50% of the requested lending grant amount, not to exceed \$500,000.

Technical assistance services may only be offered to micro businesses that meet the definition of a micro business and are pursuing financing. The technical assistance services offered by the lender that this grant can support may include, but are not limited to:

- Loan packaging assistance to applicants (for example, hiring new staff to directly serve those NJ-based micro businesses applying for new or existing loan products funded by the lending grant).
- Credit repair services that may be offered to help applicant repair their credit score to

be eligible for new or existing loan products funded by the lending grant.

- Business plan preparation services.
- Projection preparation assistance for entities that need such info for their loan application.
- QuickBooks and Excel training services to help business owners better track their business operations.
- Online and social media specific marketing to help a business grow their operations and customer base.
- E-commerce services to help business owners pivot into better servicing their customer through a website (either creating or updating a current website) or to set up an e-commerce platform and pay for subscription fees.

The maximum amount that any eligible entity may apply for under the Main Street Lenders Grant pilot product is \$1.5 million (\$1 million lending grant and \$500,000 technical assistance grant). Under the Main Street Lenders Grant product, the Authority will invite CDFIs, and other entities that meet the criteria outlined in the attached program specifications, to apply for this product. As part of the evaluation of each organization's grant application, an applicant:

- Must demonstrate the applicant has 10 years of lending experience to micro and small businesses. Must provide a recap of portfolio activity in the last 10 years from date of application to demonstrated growth in capacity and lending efforts in the last year. This can be demonstrated in the financials or balance sheets.
- Must provide detailed information related to the new product that will be created with these funds, or existing loan programs that will be leveraged with these funds, and that will meet Main Street Lender Grant specifications for flexible loan products. A product term sheet must be provided as part of application and highlight eligibility criteria, loan terms, and fees and any other necessary criteria.
- Must explain the applicant's policy or plan serving communities and business segments underserved by the banking sector and other financial institutions that the applicant serves and show significant experience complying with such policy or plan.
- Must provide a detailed marketing plan on how this product will be marketed to attract new micro businesses owners. Plan should highlight what steps will be taken to ensure their product will serve all micro business owners. They must demonstrate how they will hit the target of 40% of loans being closed in eligible Opportunity Zone Census Tracts. Applicants must offer their product information in other languages and they have to identify what specific language.
- Must provide their current overall loan portfolio activity information within the last year. They must identify the percentage of micro businesses served (using NJEDA's definition of micro business) and separate small versus micro business lending. The applicant must provide a breakout of percentage of micro businesses served (using NJEDA's definition of a micro business). This percentage of micro businesses served in the last year must be at least 20% to be eligible.
- Must demonstrate experience of at least 2 years in providing technical assistance to small and micro business owners. Lender must be able to document direct technical assistance experience or document an association with a for-profit or non-profit

entity that will be providing such eligible technical assistance activities to micro businesses looking to pursue the lending product. The applicant will provide the number of businesses served within the two years and direct services provided and indicate how the businesses leveraged this support.

Applicants must complete an online grant application, provide a 1-3-page narrative proposal detailing how the Authority's grant funding would be used, and disclose key financial metrics, such as availability of capital that demonstrate capacity to offer loan products. As required by the Main Street Recovery Finance Program statute, in addition to the eligibility parameters already stated above, the applicant must also be in substantial good standing with the New Jersey Department of Labor and Workforce Development (LWD), NJ Department of Environmental Protection, and the New Jersey Department of the Treasury at the time of application to be eligible. A current tax clearance certificate must be provided prior to approval to demonstrate the applicant is in substantial good standing with the NJ Division of Taxation, unless the applicant is not required to register with the Division of Taxation.

To appropriately fund the Main Street Micro Lenders Grant, the Members are requested to approve the use of \$15 million from the Main Street Recovery Fund. Additionally, the Members are asked to approve the delegation to the Chief Executive Officer to increase funding to \$22.5 million in the event that demand exceeds the \$15 million in available funding.

Diversity & Inclusion

The Main Street Recovery Finance Program statute requires the Authority to complete a disparity study for the purposes of establishing policies, practices, protocols, and, if appropriate, minimum percentages of Main Street Recovery Finance Program funding to be set aside for eligible small businesses and microbusinesses that are minority-owned business enterprises or women-owned business enterprises. The Authority is currently in the process of undertaking this study and does not yet have the ability to reserve a portion of funding specifically for minority or women-owned businesses. Instead, staff proposes that any loan program created by an eligible entity using the Authority's lending grant must disburse 40% of the total lending grant amount to micro businesses that meet all other applicable eligibility criteria and have a commercial business address (or home address for home-based businesses) located (fully or partially) in a census tract that was eligible to be selected as New Jersey Opportunity Zone (i.e. a New Market Tax Credit census tract).

There are 715 census tracts that were eligible to be Opportunity Zones in New Jersey. Setting aside a portion of available funding under the Loan to Micro Business Lenders Program to support entities located in these census tracts further reinforces the State's commitment to helping to ensure all Opportunity Zone eligible tracts in New Jersey receive opportunities for investment that are equitable and inclusive. If this requirement is not met within three years from the date the Authority and lending entity execute the grant agreement, then the Authority can recapture the grant proceeds. The Authority will track the performance of any entity that is awarded a grant through the Main Street Lenders Grant pilot product by requiring the completion of quarterly reports on the utilization of the lending and technical assistance grants under the Main Street Lenders Grant pilot product.

Fees & Administrative Expenses

Staff is also requesting to use 3% for administrative costs of the total amount requested for this product. This is in addition to the amount requested for this product and would be funded from the Main Street Recovery Fund. A standard application fee of \$1,000 will be collected by the applicants at time of application.

This pilot product will be available for three years from the date applications are made available to the public, or until the total funding pool is exhausted (whichever is sooner). Applications will be reviewed on a first-come, first-served basis, based on the date/time in which the Authority receives the completed application. While the Authority anticipates that most applications will provide a complete set of required information needed to evaluate the application, staff will follow up with applicants if clarity or additional support documentation is needed.

Delegated Authority

Finally, the Members are requested to approve Delegation to Authority staff (Chief Community Development Officer, Managing Director Community Development, and Director of Small Business Services) to approve individual applications to the Main Street Lenders Grant product in accordance with the terms set forth in the attached product specifications. The delegated authority requested for approval also includes the delegated authority to decline for any decisions based solely on non-discretionary reasons.

Entities whose applications are denied will have the right to appeal. Appeals must be filed within the timeframe set in the declination letter (which must be at least 10 business days). The Director of Legal Affairs will designate Hearing Officers who will review the applications, the appeals, and any other relevant documents or information. The Hearing Officer will recommend an administrative decision. For final appeal decisions on non-discretionary reasons delegated authority is issued to the following staff Chief Legal & Strategic Affairs Officer, any Vice President, and Director of Legal Affairs.

Recommendation

Approval is requested for: (1) Creation of the Main Street Lenders Grant - a pilot product under the Main Street Recovery Finance Program that will offer lending grants of up to \$1,000,000 to be used by eligible micro business lenders to create new or supplement existing micro business loan products; and technical assistance grants equal to 50% of the lending grant request, for eligible micro business lenders to provide technical assistance to better prepare micro businesses to qualify for these loan products. The Main Street Lenders Grant will be available to Community Development Financial Institutions (CDFIs), Minority Depository Institutions (MDIs), and other eligible lenders, as defined in New Jersey Economic Recovery Act of 2020 (Sections 82 through 88 of P.L. 2020, c.156) and later amended by Sections 40 through 43 of P.L. 2021 c.160.; (2) Main Street Recovery Fund utilization of up to \$15 million to fund the Main Street Lender Grant pilot program, with delegation to the Chief Executive Officer to increase funding to \$22.5 million in the event that demand exceeds the \$15 million in available funding; (3) The utilization of 3% in addition to the funding allocated to this product to be used by the Authority to support administrative costs that are needed to administer the Main Street Lenders Grant; and (4)

Delegation to Authority staff (Chief Community Development Officer, Managing Director Community Development, and Director of Small Business Services) to approve individual applications to the Main Street Lenders Grant Program in accordance with the terms set forth in the attached program specifications and to decline applications for any decisions based solely on non-discretionary reasons. For final administrative decisions based solely on non-discretionary reasons, delegated authority is requested for approval by a Chief Legal & Strategic Affairs Officer, any Vice President, or the Director Legal Affairs.



Tim Sullivan
Chief Executive Officer

Prepared by Christina Fuentse

Exhibit A – Main Street Lenders Grant – Product Specifications

**Main Street Lenders Grant Product
Proposed Product Specifications**

<p>Funding Source</p>	<p>\$15 million (\$10 million for lending capital grants and \$5 million for technical assistance grants) through the Main Street Recovery Fund – ERA. Delegation to the CEO to increase funding up to \$22.5 million based on demand for this pilot product.</p>
<p>Product Purpose</p>	<p>NJEDA will provide a lending grant to eligible entities up to \$1 million per entity that will administer their own micro business lending product.</p> <p>These entities will also be able to receive a technical assistance grant of up to 50% of their lending grant request to provide micro businesses the direct assistance they may need to qualify for these or other loans. Those services can include but are not limited to:</p> <ul style="list-style-type: none"> • Loan packaging assistance to applicants (can be the addition of new staff that will directly serve these NJ based businesses applying to the product offered under this pool of funding) • Credit repair services to help applicant repair their credit score to be eligible for the loan product offered with this funding. • Business plan preparation services for their loan application. • Projection preparation assistance for entities that need such info for their loan application. • QuickBooks and Excel training services that may be needed to help the business owner better track their business operations. • Online and social media specific marketing to help a business grow their operations and customer base. • E-commerce services to help business owners pivot into better servicing their customer through a website (either creating or updating a current website), or setup of an e-commerce platform and pay for subscription fees.

**Main Street Lenders Grant Product
Proposed Product Specifications**

<p>Eligible Applicants</p>	<p>All entities must have at least 10 years of small and micro business lending experience. These entities can be based outside of NJ but must use funds to service eligible NJ based businesses only. If applying for the technical assistance grant, entity must also demonstrate 2 years of experience providing technical assistance to micro businesses.</p> <p>Applicant must be one of the following:</p> <ul style="list-style-type: none"> • Community Development Finance Institutions (CDFIs) • Minority Depository Institutions (MDIs) as recognized by the FDIC • Entities defined as “other eligible lenders” under Subsection b. of Section 86 of P.L. 2020, c. 156 (NJSA 34:1B-353b), which includes: a 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 (Paterson, Newark, Jersey City, Elizabeth, and Lakewood Twp.); or, a nonprofit lender with at least 10 years’ experience lending to micro and small businesses such as ECDs or CDCs
<p>Eligible Uses</p>	<p>Entities applying to this product can only use the grant proceeds to create or supplement an existing lending product. The product must provide term working capital loans to qualified micro businesses offering the following features:</p> <ul style="list-style-type: none"> • Must be for micro businesses that have less than 10 full time employees at the time of application and have less than \$1.5 million in annual revenue (based on their last federal tax return required to be filed). • The micro business must have a commercial location in New Jersey, which can be a home-based business. • Loans may be used by the micro business for any purpose except restructuring existing debts or financing, any construction, reconstruction, demolition, alteration, repair work, maintenance work, or construction related to installation of equipment where such activity exceeds \$1,999.99. Additionally, home-based businesses are not permitted to use the

**Main Street Lenders Grant Product
Proposed Product Specifications**

**Eligible Uses:
(continued)**

working capital loans for rent/mortgage/property tax payments or utilities or for the purchase of equipment that attaches to the property. Examples of permitted uses are equipment purchases, rolling stock, and operating expenses such as payroll, marketing, inventory, rent, mortgage/property tax payments, utilities, or any other expenses that are applicable to the daily operation of the business.

- Home-based businesses, non-profit organizations, for-profit entities, sole proprietors, and/or startups may be eligible to participate in the program that will be funded through the Main Street Lenders Grant pilot product.
- All entities will be required to collect a current NJ Business Tax Clearance Certificate from applicants unless the applicant is a non-profit that is not required to register with the Division of Taxation.
- The minimum credit score required of the micro business to qualify for the loan must be under 650.
- Terms of the loan to applicants can go up to a 10-year term.
- Upon loan closing, a payment moratorium period of at least 12 months must be provided to the micro businesses.
- Loan product being offered must be fully amortizing to avoid balloon payments.
- Interest rates cannot exceed 5% on each loan.
- Loan amounts must be no greater than \$100,000 and no lower than \$10,000.
- Must allow for a minimum Debt Service Coverage Ratio on this program of 1.0, but the personal cash flow of owners who are personal guarantors may be considered.
- Application fees may be charged but cannot exceed 1% of the loan amount.
- No prepayment penalty can be charged to the micro businesses.
- Collateral and personal guarantees are optional, as determined by lending entity.
- Program can allow for loan modifications as determined by entity.

**Main Street Lenders Grant Product
Proposed Product Specifications**

<p>Eligible Uses: (continued)</p>	<ul style="list-style-type: none"> • Each entity must lend and disburse 40% of the total lending grant to businesses located in Opportunity Zone eligible census tracts (as explained below). • All lending and technical assistance funds must be disbursed within 3 years from NJEDA grant closing date. <p>Lenders cannot provide any financial assistance to micro businesses that are engaged in any of the following: the conduct or purveyance of “adult” (i.e., pornographic, lewd, prurient, obscene or otherwise similarly disreputable) activities, services, products or materials (including nude or seminude performances or the sale of sexual aids or devices); any auction or bankruptcy or fire or “lost-our-lease” or “going-out of business” or similar sale; sales by transient merchants, Christmas tree sales or other outdoor storage; or any activity constituting a nuisance.</p>
<p>Application Process and Board Approval/ Delegated Authority</p>	<p>Under the Main Street Lenders Grant pilot product, the Authority will invite CDFIs, and other entities that meet the eligibility criteria to apply for this product. As part of the evaluation of each organization’s grant application, an applicant:</p> <ul style="list-style-type: none"> • Must demonstrate the applicant has 10 years of lending experience to micro and small businesses. Must provide a recap of portfolio activity in the last 10 years from date of application to demonstrated growth in capacity and lending efforts in the last year. This can be demonstrated in the financials or balance sheets. • Must provide detailed information related to the new product that will be created with these funds, or existing loan programs that will be leveraged with these funds, and that will meet Main Street Lender Grant product specifications for flexible loan products. A product term sheet must be provided as part of application and highlight eligibility criteria, loan terms, and fees and any other necessary criteria. • Must explain the applicant’s policy or plan for serving communities and business segments

**Main Street Lenders Grant Product
Proposed Product Specifications**

underserved by the banking sector and other financial institutions and show significant experience complying with such policy or plan.

- Must provide a detailed marketing plan on how this product will be marketed to attract new micro businesses owners. Plan should highlight what steps will be taken to ensure their product will serve all micro business owners. They must demonstrate how they will hit the target of closing 40% of loans in eligible Opportunity Zone Census Tracts. Applicants must offer their product information in other languages and they have to identify what specific language.
- Must provide their current overall loan portfolio activity information within the last year. The applicant must provide a breakout of percentage of micro businesses served (using NJEDA’s definition of a micro business). This percentage of micro businesses served in the last year must be at least 20% to be eligible.
- Must demonstrate experience of at least 2 years in providing technical assistance to small and micro business owners. Lender must be able to document direct technical assistance experience or document an association with a for-profit or non-profit entity that will be providing such eligible technical assistance activities to micro businesses looking to pursue the lending product. The applicant will provide the number of businesses served within the two years and the direct services provided, and also indicate how the businesses leveraged this support.

Applicants must complete an online grant application, provide a 1-3-page narrative proposal detailing how the Authority’s grant funding would be used, and disclose key financial metrics, such as availability of capital that demonstrates capacity to offer loan products.

The applicant must also be in substantial good standing with the New Jersey Department of Labor and Workforce Development (LWD), NJ Department of Environmental Protection, and the New Jersey Department of the Treasury

Main Street Lenders Grant Product Proposed Product Specifications	
	at the time of application to be eligible. A current tax clearance certificate must be provided prior to approval to demonstrate the applicant is in substantial good standing with the NJ Division of Taxation, unless the applicant is not required to register with the Division of Taxation.
Lending Grant and Technical Assistance Grant Award Amount	<ul style="list-style-type: none"> • Lending grant of up to \$1 million per eligible entity to lend to eligible NJ micro businesses. • Entities that receive a grant for lending purposes are also eligible to receive a technical assistance award of up to \$500,000 (or up to 50% of total grant requested) per entity.
Funding Disbursement	<ul style="list-style-type: none"> • Grants will be disbursed at time of Closing. • Entities have 3 years from NJEDA grant agreement closing date to fully disburse all NJEDA grant funds. • 40% of the lending grant must be used to close loans that are in OZ eligible census tracts by the end of the 3 years or the grant will be recaptured by NJEDA. • Any unused portion of the grants shall be returned to NJEDA after the 3-year deployment period. • The technical assistance grant cannot exceed 50% of the request for the entities lending grant. • If grant funds are not used for eligible reasons as identified, then the entity is responsible for repayment to NJEDA.
Fees:	<ul style="list-style-type: none"> • Application fee (non-refundable): \$1,000.00 per application • Administrative costs fee of 3% (\$450,000 up to \$675,000) of total funding request from the appropriation to go to NJEDA.

**Main Street Lenders Grant Product
Proposed Product Specifications**

Reporting:

Quarterly portfolio reporting will be required from each entity after they receive their funds. Report may include, but not be limited to:

- Micro business entity name
- Owner information
- Location of micro business
- Identify if located in an Opportunity Zone eligible census tract as per mapping
- Amount of funding disbursed
- Identify uses of funding
- Total full-time employment at time of application, creation, and maintenance
- Identified women, minority, veteran and LBGQT owned businesses when applicable
- Capture certification when applicable
- Demonstration of entity direct marketing efforts
- Demonstration of entity outreach efforts to underserved communities
- Grant tracking will be a separate report to track who was served and how, with documentation to be provided like invoices and paid statements
- A separate report for technical services would be supplied to awardees and also completed on a quarterly basis; this report will similarly document how grant funds were spent.