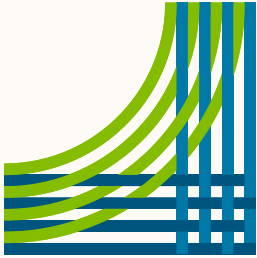




FAQ

Have questions?
We can help.

FAQ



NEW JERSEY CAPITAL ACCESS FUND

Is my small business eligible for this loan?

To be eligible for a NJ Capital Access Fund loan, a small business must meet the requirements detailed below. Please note that the pre-application should be completed and submitted by the owner of the business with the largest ownership interest or the executive director or equivalent senior officer of the nonprofit. All owners with more than 20% ownership will be required to attest to the information provided.

To meet the pre-eligibility requirements, your business or nonprofit must:

- Operate in the state of New Jersey
- Have fewer than 50 employees
- Have an annual revenue of \$10 million or less
- Have been in business for at least one year prior to the date of application
- Demonstrate the ability to repay the loan through cash flow

Do I need to be based in New Jersey to apply?

Yes, organizations must have existing operations in New Jersey to be eligible, and the proceeds of the loan must be used in furtherance of the organization's activities in New Jersey.

Are certain types of businesses ineligible for a loan through this program?

Yes. Ineligible business activities include, but are not limited to:

- Transient merchants
- Christmas tree sellers
- Outdoor storage providers
- Lenders, except for certain CDFIs and Tribal enterprise lenders
- Gambling businesses, including gambling facilities
- Businesses engaged in any of the ineligible business activities listed under the question following

Any loan applicant with outstanding tax liens or judgments over \$10,000 within the last 10 years is ineligible to apply unless there is an active payment plan in place. Any loan applicant that has an active bankruptcy, unpaid child, or support has been the subject of a repossession or foreclosure within the past 36 months is also ineligible.

Will I be prohibited from using the loan for certain activities?

Yes. Ineligible businesses include, but are not limited to:

- Construction, renovation, or tenant improvements
- Equipment and/or machinery financing
- Any purveyance of "adult" (that is, pornographic, lewd, prurient, obscene, or otherwise similarly disreputable) activities, services, products, or materials
- Any activity constituting a nuisance
- Lobbying activities
- The purchase of securities
- Any auction, bankruptcy, fire, "lost-our-lease", "going out of business", or similar sale or activities
- Passive real estate investment
- Pyramid sales schemes
- Purchasing any portion of the ownership from any owner of the business
- Speculative activities that benefit from price fluctuations
- Activities prohibited by federal and/or New Jersey law

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FAQ

What can I use my loan for?

NJ Capital Access Fund loans can be used for a full range of business needs including payroll, supplies, rent, utilities, marketing and advertising, and other business expenses. You will be required to detail the proposed use of loan proceeds when you complete your application.

Is a NJ Capital Access Fund loan forgivable?

This is not a forgivable loan. NJ Capital Access Fund borrowers will be expected to pay back the full amount of the loan at their fixed rate of interest.

What are the loan terms?

- Between 36- and 60-month repayment periods
- Loan amounts up to \$250,000
- No origination fees
- No prepayment penalties
- Fixed, competitive interest rates* for the life of the loan
- No specific collateral is required

*Interest rates are determined by the length of the loan. Rates start at the Wall Street Journal prime rate + 1% and will not exceed 12%.

Who are the nonprofit, community lenders?

- Accion Opportunity Fund
- Ascendus
- Grow America Community Impact Loan Fund
- Pursuit

Do I need collateral?

No specific collateral is required to be eligible. You do not need to have access to any specific real estate or equipment. However, a blanket lien will be filed on business assets. Personal guarantees will also be required from individuals who own more than 20% of a business.

Will I need to pay any fees?

Depending on which lender you work with, you may need to pay some closing costs of up to \$750. These fees cover the cost of the UCC filing, credit report costs and application fee. No other fees will need to be paid, including origination fees or prepayment fees, although late fees may be applied if you do not repay your loan on time.

Will I be penalized if I make prepayments?

No. Borrowers may prepay the loan at any time without penalties or fees.

Am I guaranteed approval for a loan if I am eligible to apply?

No. Depending on the number of applications, it is possible that not all applicants will be able to receive a loan. Applications will be reviewed on a rolling basis. In addition, all loans are subject to underwriting review and approval by participating community lenders, who are responsible for their own credit decisions.

Please note that being matched with a prospective lender does not constitute an offer or a commitment to lend. All rates and loan terms may be subject to change.

What if I need help with the loan application?

Our community lenders are available to assist you with every step of the application and can connect you with additional support services, if needed.

FAQ

What information will be required to apply?

As part of your full loan application, you will need to provide the following documentation to the community lender:

- Loan and Security Agreement with accompanying notes
- Evidence of legal formation of business entity (Articles of Incorporations and/or Bylaws)
- Schedule of ownership (name, address, Social Security Number or Tax Identification Number, phone number, email, percentage ownership for any owners with more than 20% ownership)
- Personal guarantee from any person that owns more than 20% of the small business.
- A personal credit check is required for every guarantor. Note: There is no minimum credit score required to apply for a loan.
- Two most recently filed tax returns, if available and required by the lender; if not available, internally generated financial statements or other proof of revenue
- Executed Borrower Attestation Form and SEDI-Owned Business Certification (to be provided by lender)
- Copy of lease agreement and/or recent utility bill (if applicable or required by the lender)
- Current New Jersey Tax Clearance Certificate
- Duplication of Benefits Affidavit (to be provided by lender)
- Other documentation required by the community lender at or after the time of application

A participating community lender will reach out to you to collect the required documentation, conduct any credit checks, and finalize the application review process.

What happens after I submit my pre-application?

If you meet the initial eligibility requirements, you will be matched with one or more nonprofit community lenders after completing the pre-application and will need to click “connect” next to the lender you would like to work with. Lenders will then request additional documentation to determine if your business is ready for a loan. If so, they will determine the loan terms that are best suited to your business.

Can I apply for a loan more than once?

Applicants should only submit one pre-application. Borrowers will not be prohibited from receiving multiple loans from the New Jersey Capital Access Fund, but it is up to the originating lenders to approve additional loans. A borrower must have only one application for a loan open at any given time. Each loan must have a separate, defined use of proceeds, and such loans shall be subject to any applicable maximum or minimum sizes or other terms and conditions.

What happens if I miss a payment?

If you do not make a loan payment on time, you may be assessed a late fee. A failure to pay may result in the loan being declared in default. During the loan application process, your community lender will discuss the full terms of your loan agreement to ensure you understand the details regarding late payment and default.



Learn more at

NJCapitalAccessFund.com



DISCLAIMER: Due to the limited amount of funding available and the high volume of applications expected, all applicants may not receive a loan. We recommend applying as soon as possible. Applications will be reviewed on a rolling basis and will be managed to support the program's goals. The time it takes to process an application will depend on the volume of applications received by the matched nonprofit lender. **Please note that submitting an application is not an indication of eligibility and does not mean that a loan will be approved or funded.**

Additional information will be requested in your application that will determine your eligibility for a loan. All rates and loan terms may be subject to change. Loans available via this program are business loans only and not loans for personal, family or household purposes.