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RULE ADOPTIONS

OTHER AGENCIES

NEW JERSEY ECONOMIC DEVELOPMENT AUTHORITY

46 N.J.R. 2420(a)

Adopted Amendments: *N.J.A.C. 19:31-2.1, 3.1, and 3.2*

Authority Assistance Programs; Loan Guarantee Programs; Direct Loan Program

Proposed: July 21, 2014, at *46 N.J.R. 1682(a)*.

Adopted: November 10, 2014, by the New Jersey Economic Development Authority, Michele Brown, Chief Executive Officer.

Filed: November 10, 2014, as R.2014 d.187, **without change**.

Authority: *N.J.S.A. 34:1B-1* et seq.

Effective Date: December 15, 2014.

Expiration Date: November 9, 2017.

Summary of Public Comment and Agency Response:

No public comments were received.

Federal Standards Statement

The adopted amendments are not subject to any Federal standards or requirements; therefore, a Federal standards analysis is not required.

Full text of the adoption follows:

SUBCHAPTER 2. LOAN GUARANTEE PROGRAMS

19:31-2.1 Program description

(a)-(b) (No change.)

(c) There are four types of guarantees available: Fixed Asset Guarantees, Working Capital Guarantees, Special Guarantees, and Smart Growth Pre-Development Guarantees.

1.-2. (No change.)

3. Under the Special Guarantee program:

i. (No change.)

ii. The Authority guarantee shall be of:

(1)-(3) (No change.)

(4) Conventional financing. An applicant for a conventional financing guarantee shall:

(A)-(B) (No change.)

(C) Create or maintain a minimum of 200 permanent full-time jobs in the State. The Authority's assistance shall not exceed \$ 65,000 per full-time job created and/or maintained; or

(5) Structured finance assistance. For purposes of this sub-subparagraph and the transaction documents, the following words and terms shall have the following meanings, unless the context clearly indicates otherwise:

...

(A) (No change.)

(B) Program requirements. Eligible applicants for structured finance assistance must comply with the following requirements:

I. The Authority's exposure (if any) shall not exceed \$ 65,000 per full-time permanent job;

II.-III. (No change.)

(C)-(D) (No change.)

4. (No change.)

(d) (No change.)

SUBCHAPTER 3. DIRECT LOAN PROGRAM

19:31-3.1 Program description

(a) (No change.)

(b) Except as otherwise provided in this subsection, direct loans are available in a maximum amount of \$ 2,000,000 for fixed asset financing and \$ 750,000 for working capital.

1.-7. (No change.)

(c)-(g) (No change.)

(h) The Authority shall determine the term, and fixed and/or variable rates of interest, including interest rate floors, to be charged for each loan product through consideration and official action of the Members at a public hearing. The applicant shall elect in writing, at or prior to the time of closing, a fixed interest rate or a variable interest rate.

1.-2. (No change.)

3. For fixed and variable rate loans, factors to be considered in establishing additional interest rate basis points above the floor previously established by the Board may include, among others:

i.-ii. (No change.)

iii. The quality of collateral; and

iv. The number of full-time jobs created or maintained in New Jersey provided the Authority's exposure may not exceed \$ 65,000 per job created or maintained.

4.-6. (No change.)

(i) For New Market Loans:

1. (No change.)

2. For New Market Loans, the projects must be located within areas designated for smart growth land use development and designated by the New Jersey Development and Redevelopment Plan as in Planning Areas One or Two or in a designated center or endorsed plan. Additionally, projects must be located in communities and census tracts as approved by the Community Development Financial Institutions Fund (CDFI) as described in (i)2i through iii below and must have at least one of the characteristics described in (i)3 below.

i.-iii. (No change.)

3.-4. (No change.)

(j) (No change in text.)

19:31-3.2 Eligibility standards

(a) (No change.)

(b) (No change in text.)

(c) For Brownfield Redevelopment Loans, project sites must be the subject of a Municipal Landfill Site Closure, Remediation and Redevelopment Agreement that has been entered into by the applicant with the New Jersey Departments of Environmental Protection and the Treasury.

Recodify existing (f)-(g) as (d)-(e) (No change in text.)