

Small Business Recovery Loan Fund



SBDCs, Incubators, and other Technical Assistance Providers: Enrollment Form now available

Technical Assistance Service Providers can play an important role in the new Small Business Recovery Loan Fund by helping small businesses in New Mexico with ongoing technical assistance.

To view a PowerPoint about the role and responsibilities of a Service Provider for the Small Business Recovery Loan Fund, [click here](#).

To view a webinar on the role of a Service Provider, [click here](#).

To enroll as a Technical Assistance Service Provider, click here:
[Service Provider Enrollment Form](#)

What is the Small Business Recovery Loan Fund?

Created by the Small Business Recovery Act of 2020 (June 2020 Special Session) and signed into law by Governor Michelle Lujan Grisham on July 7th.

The **\$400 million** program provides **low-interest loans** to businesses that are experiencing financial hardship due to the public health order resulting from the COVID-19 pandemic.

The **three-year loans** may be used for a variety of expenses, do not require personal guarantees or collateral, and have no payments for the first year.

Please note that this is a loan program, not a grant program.

Role of a Service Provider

The Small Business Recovery Act (“SBRA”) recognizes the important role that technical assistance plays by providing that “Service Providers” be paid a fee for providing on-going technical assistance to very small businesses (those with annual revenues of less than \$500,000.

“Service Provider” is defined in SBRA as a “nonprofit or governmental organization that provides interactive, technical assistance to small businesses, including:

- **Developing sustainable business practices;**
- **Training in marketing, administration and financial management;**
- **Complying with legal requirements, licensing requirements and tax liabilities.”**

Service Providers identified by eligible businesses in the application will receive a fee of equal to one-half percent of the loan made to the business.

More information about the Small Business Recovery Loan Fund

Eligibility Requirements for Applicants

- A New Mexico business or nonprofit corporation organized under Section 501(c)3 or 501(c)6 that has **closed or reduced operations** due to the public health order, and
- Had **annual gross revenue of less than \$5 million** as determined by its 2019 federal income tax return or Form 990, and

- Experienced a **30% decline in monthly gross receipts** or monthly revenue in April and May of 2020 as compared to the same months in 2019

Loan Terms

Loan Amount: Two times the average monthly expenses, not to exceed \$75,000.

Interest Rate: $\frac{1}{2}$ of *Wall Street Journal* prime rate (currently 1.625%).

Collateral: None. Personal guarantees not required.

Terms: 3-year loans. Interest only, paid annually. Principal due at maturity. Loan may be extended for an additional three years with monthly principal and interest payments.

For more information, go to www.nmfinance.com

The application is set to **open August 5** and will be open until **December 31, 2020** or until funds are gone, whichever comes first.

Applications will be processed on a **first-come, first-served basis**.

The application will be available at www.nmfinance.com.

New Mexico Finance Authority

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