

NEW MEXICO ECONOMIC DEVELOPMENT DEPARTMENT COVID-19 BUSINESS LOAN GUARANTEE PROGRAM

QUICK SHEET

PROGRAM'S OBJECTIVE

The New Mexico Economic Development Department (NMEDD) has created a program to assist businesses seeking emergency loans or lines of credit to deal with negative economic impacts from COVID-19.

AMOUNT OF FUNDING AVAILABLE

The NMEDD can guarantee a portion of a loan or line of credit up to 80% of the principal or up to a maximum participation of \$50,000. The lender sets the terms of the loan. NMEDD has no restrictions on length of term, loan amount or interest rate; however, during this time NMEDD requests that the lender set a fair and reasonable interest rate.

Loan uses are flexible and can be used for, and not limited to the following:

- Working capital
- Inventory
- Payroll

ELIGIBILITY

To qualify for this program, small businesses must meet the following criteria:

- Borrower must be a resident of New Mexico.
- Business must be located in New Mexico and all jobs of the business created and retained must be located in New Mexico.
- Be current with all government debt obligations, State and Federal.
- Business must exhibit a negative impact on business by COVID-19 in the narrative section of the application.
- Non-profits are eligible.

REQUIREMENTS TO APPLY

Individuals who are interested in the NMEDD Business Loan Guarantee Program should approach their lending institution or locate a participating lender to discuss getting a loan or a line of credit. The Lender will then vet the projects and apply to the program, this process is short and available online. Upon approval, NMEDD and the Lender will sign a guarantee agreement. Once the agreement is signed, the Lender will make the loan. NMEDD guarantees the loan; and in the case of a default, NMEDD pays lender guarantee amount within 30 days of default.

Supplemental Forms:

- A PDF version of the application is available [here](#) (signed by lender).
- Agreement between NMEDD and Lender (signed by both parties).
- NM State [W9 Form](#).
- Federal [ACH Form](#) (to enable NMEDD to transfer funds electronically).
- Loan Default Submission Form (lender submits form to NMEDD).

CONSIDERATIONS

- NMEDD's guarantee can be in place for up to two years.
- Borrowers work with their lenders. Lenders apply to the program for a guarantee.
- A list of participating lenders can be found [here](#).
- Ineligible uses of the loan proceeds include:
 - Financing non-business endeavors.
 - Passive real estate.
 - Residential real estate.
 - Reimbursing funds owed to owner.
 - Repayment on delinquent taxes.

WHO CAN BE CONTACTED TO PROVIDE TECHNICAL ASSISTANCE AND SUPPORT?

Individuals may contact EDD-Finance@state.nm.us or 505-469-6204 for any questions relating to the program. For additional program information please contact Johanna Nelson at Johanna.Nelson@state.nm.us.

Source: gonm.biz/about-us/covid-19-response/business-loan-guarantee-program-lenders-apply