



COVID-19 Business Loan Guarantee Program

New Mexico

COVID-19 Business Loan Guarantee Program: Overview

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

- EDD can guarantee a portion of a loan or line of credit up to 80% of principal or up to a maximum participation of \$50,000.
- Lender sets the terms of the loan. EDD has no restrictions on length of term, loan amount or interest rate; however, during this time we request 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, and payroll.
- EDD's guarantee can be in place for up to two years.

Lenders can apply online, <https://gonm.biz/about-us/covid-19-response/>

COVID-19 Business Loan Guarantee Program: Process

1. Lender communicates with NMEDD they are participating in the program. EDD includes their information in the [Participating Partner Lender List](#).
2. Borrower approaches their lending institution or locates a partner lender to discuss getting a loan or line of credit.
3. Lender vets project and applies to the program. Application is short and available online. Lender uploads a reduced scope credit memo.
4. Lender and NMEDD sign agreement.
5. Lender makes the loan.
6. EDD guarantees the loan. In case of default, NMEDD pays lender guarantee amount within 30 days of default.

Contact: EDD-Finance@state.nm.us or 505.469.6204, or Mark Roper, Mark.Roper@state.nm.us or 575.562.0327