



NEW MEXICO  
**FINANCE AUTHORITY**

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**Presentation to  
New Mexico Finance Authority  
Oversight Committee**

**Adoption of Rules Governing the Essential  
Services Working Capital Program**

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# Essential Services Working Capital Program

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- ◆ In April, the NMFA established through emergency rule making the Essential Services Working Capital Program.
- ◆ ESWCP provides short terms working capital loans to health care and other critical service providers to help meet the demands resulting from the health crisis and Emergency Health Orders.
- ◆ Program was capitalized with \$12 million of unobligated operating funds.
- ◆ Loans of up to \$1 million is available to both for-profit or not-for profit organizations. Loan amounts are based upon the borrowing capacity and financial viability of the essential service provider or business. Local governments are not eligible for the loan program.

- ◆ Term loans with maturities of up to five years;
- ◆ Lines of credit of up to one year, after which time the line may be converted to a term loan and repaid over a period not to exceed five years;
- ◆ Secured by receivables and other available personal property of the borrower;
- ◆ Interest rate at 1%; interest paid monthly;
- ◆ Due to the limited funding, retail businesses are not eligible.
- ◆ This is a loan program. Grant dollars are not available through this program.

## ◆ Eligible Services Providers and Businesses include:

- ❑ Rural hospitals
- ❑ Behavioral health providers
- ❑ Substance abuse providers
- ❑ Dentists
- ❑ Child Care
- ❑ Health walk-in health facilities
- ❑ Residential health care businesses whose revenues are primarily derived from the provision of medical care
- ❑ Pharmacies
- ❑ Medical supplies and equipment manufacturers and providers
- ❑ Medical and wholesale and distribution
- ❑ Research facilities
- ❑ Manufacturing facilities retooling to serve PPE and COVID-safe practice needs



- ◆ Funding may be used only for operating expenses such as supplies, payroll, utilities and rent. Purchases of capital equipment or facility renovations are not eligible.
- ◆ There are no application or closing fees.
- ◆ Essential Service Providers that received PPP loans are still eligible for funding if the business can demonstrate financial capacity to repay the loans.
- ◆ Loans will be secured with a lien on all available business assets at the highest lien available. Note that the value of the collateral must exceed the amount of loan.

- ◆ Personal guarantees are required from any party owning more than a 20% interest in an organization will be required to personally guarantee the loan. Personal guarantees from board members of non-profit organizations are not required.
- ◆ Upon demonstration that critical operating cash flow shortfalls exist, advances of up to \$50,000 may be made upon submission of a complete application and NMFA's determination of eligibility and adequate ability to repay the loan.

Approximately 20% of the funds have been committed to date:

Approval Date	Borrower	Purpose	Loan Type	County	Amount
6/25/2020	Dr. David J. Ortega, DDS	Santa Fe dentist whose operations were reduced by 50% due to the Emergency Public Health Order	Line of Credit	Santa Fe	\$ 100,000
6/25/2020	First Choice Community Healthcare, Inc.	Non-profit primary care provider (to 53,000 individuals and families) in the Mid-Rio Grande Valley; reduced operations significantly impacted ability to meet demand	Commercial Term Loan	Bernalillo	\$ 900,000
6/25/2020	Rio Grande Hematology and Oncology	Cancer care provider in Dona Ana County whose immune-compromised patients reduced visits causing a need to reduce operations	Line of Credit	Dona Ana	\$ 150,000
6/25/2020	Telshor Family Clinic	Family practice that serves residents of Dona Ana County; healthcare patient visits dropped by approximately 60% as a result of the Emergency Public Health Order	Line of Credit	Dona Ana	\$ 200,000
6/25/2020	Well Life Albuquerque	Family practice in Albuquerque; healthcare patient visits dropped by approximately 50% as a result of the Emergency Public Health Order	Line of Credit	Bernalillo	\$ 73,800
7/23/2020	Las Cruces Machine Manufacturing and Engineering	Las Cruces Machine is converting capacity to meet demand for medical component manufacturing – needed capital to assist in the conversion	Line of Credit	Dona Ana	\$ 100,000
7/24/2020	Covenant Schools of America	Childcare provider reopened April 13 <sup>th</sup> to provide care to children of first responders and essential workers despite significant drop in revenue	Line of Credit	Bernalillo	\$ 275,000
7/25/2020	Net Medical Xpress Solutions	Teleneurology and teleneurosurgery service provider to rural hospitals and UNM Hospital. Decreased cash flow from the slow down of non-essential medical services impacted their ability to provide “Access to Critical Cerebral Emergency Support Services” (radiographic enhanced neuro-emergent consultations)	Line of Credit	Bernalillo	\$ 100,000
7/26/2020	Build with Robots	Robot manufacturer converting “paint-bots” to robots that will be used for large scale disinfection	Line of Credit	Bernalillo	\$ 618,750
<b>Total to date</b>					<b>\$ 2,517,550</b>



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Questions?

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