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New York Forward Loan Fund

10-13 minutes

New York Forward Loan Fund (NYFLF) is a new economic recovery loan program aimed at supporting New York State small businesses, nonprofits and small landlords as they reopen after the COVID-19 outbreak and NYS on PAUSE.

NYFLF targets the state's small businesses with 20 or fewer full-time equivalent (FTE) employees (90% of all businesses), nonprofits and small landlords that have seen a loss of rental income.

NYFLF is providing working capital loans so that small businesses, nonprofits and small landlords have access to credit as they reopen. These loans are available to small businesses, nonprofits, and small landlords that did not receive a loan from either the U.S. Small Business Administration (SBA) Paycheck Protection Program (PPP) or SBA Economic Injury Disaster Loans (EIDL) for COVID-19 in 2020. The loans are not forgivable in part or whole. The loans will need to be paid back over a 5-year term with interest.

The working capital loans are timed to support businesses and organizations as they proceed to reopen and have upfront expenses to comply with guidelines (e.g., inventory, marketing, refitting for new social distancing guidelines) under the New York Forward Plan.

The geographic proportionality goals for the New York Forward Loan Fund for small businesses are:

- Capital Region 4%
- Central NY Region 4%
- Finger Lakes Region 4%
- Hudson Valley Region 12%
- Long Island Region 18%
- Mohawk Valley Region 4%
- NYC Region 30%
- North Country Region 4%
- Southern Tier Region 4%
- Western NY Region 8%

Access to loans for small landlords will be targeted to owners with residential buildings of 50 units or less, and will prioritize loans for landlords whose properties are in low and moderate income census tracts or who serve low to moderate income tenants.

The New York Forward Loan Fund is supported by Apple Bank, BNB Bank, BlackRock Charitable Fund, Citi Foundation, Evans Bank, Ford Foundation, M&T Bank, Morgan Stanley, Ralph C. Wilson, Jr. Foundation and Wells Fargo.

Pre-applications for the New York Forward Loan Fund will be open on May 26, 2020 at Noon Eastern Daylight Time. Priority will be given to industries and regions that have been reopened. This is not a first-come, first-served loan program. Applications will be reviewed on a rolling basis as regions and industries reopen. For small businesses and nonprofits that are in industries and regions

that have not yet reopened, you are encouraged to prepare your pre-application in advance by taking advantage of the application preparation resources available [here](#). This will allow you to quickly submit your pre-application once it is announced that your industry and region is phased to reopen.

Five Community Development Financial Institutions (CDFIs) will be processing pre-applications on June 1, 2020: Accion East, Community Preservation Corporation, National Development Council, Pursuit and TruFund Financial Services. Please **do not** apply to the participating CDFI lender directly.

To fill out a pre-application and match with a participating lender, please click [here](#).

Overview

The loan terms are as follows:

- **Loan Amount:**

1. **Small Businesses:** Small businesses can apply for a loan in the amount of the lesser of (a) \$100,000 or (b) up to 100% of average monthly revenues in any 3-month period from 2019 or first quarter of 2020.
2. **Nonprofits:** Nonprofits can apply for a loan in the amount of the lesser of (a) \$100,000 or (b) up to 100% of average monthly expenses in any 3-month from 2019 or first quarter of 2020.
3. **Small Landlords:** Small Landlords can apply for a loan in the amount the lesser of (a) \$100,000 or (b) projected reduction in 3-months' net operating income based on actual reductions in net operating income for the month of April or May 2020.

- **Interest Rate:**

1. **Small businesses and landlords:** The fixed annual interest rate on the loan will be 3%.
2. **Nonprofits:** The fixed annual interest rate on the loan will be 2%.

- **Repayment:**

1. For months 1 – 12: Interest only payments, paid monthly.
2. For months 13 - 60: interest and principal payments, paid monthly.

- **Term:** 5 years (60 months).

- **Proceeds:**

1. Proceeds are required to be used for working capital, inventory, marketing, refitting for new social distancing guidelines, operating and emergency maintenance, property taxes, utilities, rent, supplies, etc.
2. Refinancing of an existing loan is not permitted.
3. The loan applicant will be required to detail anticipated use of funds when they apply.

- **Borrower Fees:** No application fees. Late fee will be assessed for missed payments.

- **Recourse:** No collateral is required.

- **Prepayment:** Borrower may prepay the loan without penalty.

To be eligible for a New York Forward Loan Fund working capital loan, a small business must meet the requirements detailed below. Please note that the pre-application should be completed and submitted by the owner of the business with the largest ownership interest, and that all owners with more than 20% ownership will be required to attest to the information therein.

- Employ 20 or fewer full-time equivalent (FTE) employees for both small businesses;
- Have gross revenues of less than \$3 million per year;
- Have not received a loan from either SBA Paycheck Protection Program (PPP) or SBA Economic Injury Disaster Loan (EIDL) for COVID-19 in 2020;
- Have suffered a direct economic hardship as a result of COVID-19 related social distancing policies and stay-at-home order that have materially impacted their operations;
- Been in business for at least 1 year as of the date of loan application; and
- Located in the State of New York.

To be eligible for a New York Forward Loan Fund working capital loan, a nonprofit must meet the requirements detailed below.

Please note that the pre-application should be completed and submitted by a member of the nonprofit's executive team and will be required to attest to the information therein.

- Organized as 501(c)(3) or faith-based organization (cannot be for support of religious worship or activities);
- Employ 20 or fewer full-time equivalent (FTE) employees for nonprofit;
- Provide direct services to New Yorkers for example daycare services, legal aid, food banks, soup kitchens, after school programs, senior services, educational programs, clothing banks;
- Have an annual operating budget of less than \$3 million per year;
- Have not received a loan from either SBA Paycheck Protection

Program (PPP) or SBA Economic Injury Disaster Loan (EIDL) for COVID-19 in 2020;

- Have suffered a direct economic hardship as a result of COVID-19 related social distancing policies and stay-at-home order that have materially impacted their operations;
- Been in operation for at least 1 year as of the date of loan application; and
- Located in the State of New York.

To be eligible for a New York Forward Loan Fund working capital loan, small landlords must meet the requirements detailed below. Please note that the pre-application should be completed and submitted by the owner of the business with the largest ownership interest, and that all owners with more than 20% ownership will be required to attest to the information therein.

- Have no more than 200 units under ownership, and no single property greater than 50 units;
- Properties must either be located in a low or moderate income (LMI) census tract or meet a rent test where property rents are affordable to tenants of low and moderate income;
- Properties must have positive cash flow for a 12-month period prior to NY Forward loan request;
- Properties must have an active forbearance agreement for their mortgage, or proof that they have not missed a monthly debt service payment in the last 12 months, and/or no active mortgage;
- Properties must be current on their property taxes through March 2020;
- Property owners must attest that they will not evict COVID-

impacted non-paying tenants;

- Properties must be in good repair, with no major life and safety violations;
- Have not received a loan from either SBA Paycheck Protection Program (PPP) or SBA Economic Injury Disaster Loan (EIDL) for COVID-19 in 2020;
- Have suffered a direct economic hardship as a result of COVID-19 related social distancing policies and stay-at-home order that have materially impacted their operations;
- Been in business for at least 1 year as of the date of loan application; and
- Properties must be located in the State of New York.
- Applications for the New York Forward Loan Fund will be open based on the industries and regions that have been reopened. This is not a first-come, first-served loan program. Applications will be reviewed on a rolling basis as regions and industries reopen.
- Pre-applications will open on May 26, 2020 at Noon Eastern Daylight Time and will be on a rolling basis thereafter as regions and industries reopen.
- Five Community Development Financial Institutions (CDFIs) will be processing pre-applications on June 1, 2020: Accion East, Community Preservation Corporation, National Development Council, Pursuit and TruFund Financial Services. Please do not apply to the participating CDFI lender directly.
- To fill out a pre-application and match with a participating CDFI lender at nyloanfund.com.
- Additional program details can be found in the documents available

below.

New York's statewide community network of Small Business Development Centers, Entrepreneurship Assistance Centers and Community Development Financial Institutions are available to help guide your business through the loan application process. Business leaders, lawyers and nonprofit professionals have also volunteered to offer loan application guidance.

- [**NY Small Business Development Centers \(SBDC\)**](#): The New York Small Business Development Center (NYSBDC) provides small business owners and entrepreneurs in New York with the highest quality, confidential business counseling, training, and business research at no cost.
- [**Entrepreneurship Assistance Centers \(EAC\) Contact List**](#): Entrepreneurship Assistance Centers (EAC) provide instruction, training, technical assistance and support services to new and aspiring entrepreneurs in local communities statewide.
- [**Community Development Financial Institution \(CDFI\) Contact List**](#): CDFIs are local financial service providers with locations throughout New York State, and often are the sole provider of banking and other financial services in communities that are not served by traditional banks and financial institutions.
- [**COVID-19 Business Mentor NY Volunteer Task Force**](#): New York State, business leaders and law firms that have partnered to enlist industry volunteers to help businesses with guidance on loan applications.