



**Division of Small Business
& Technology Development**

The New York Forward Loan Fund (NYFLF)

Empire State Development

A Division of Empire State Development

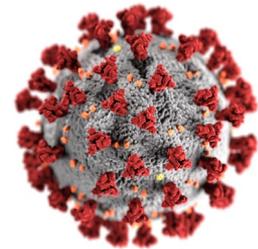
5/22/2020

New York Forward Loan Fund (NYFLF)

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.

It targets the state's small businesses with 20 or fewer employees (90% of all businesses), nonprofits, and small landlords that have seen loss of rental income. 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.

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). The loans are **not** forgivable in part or whole. The loans will need to be paid back over 5-year term with interest.



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New York Forward Loan Fund - Overview

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 are phased to reopen.

For small businesses and nonprofits that are in industries and regions that are not yet reopen, you are encouraged to prepare your pre-application in advance by taking advantage of the application preparation resources available at the [ESD Resources Contact Page](#). This will allow you to quickly submit your application once it is announced that your industry and region is phased to 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.

Up to date information on regional opening status can be found at <https://forward.ny.gov/>

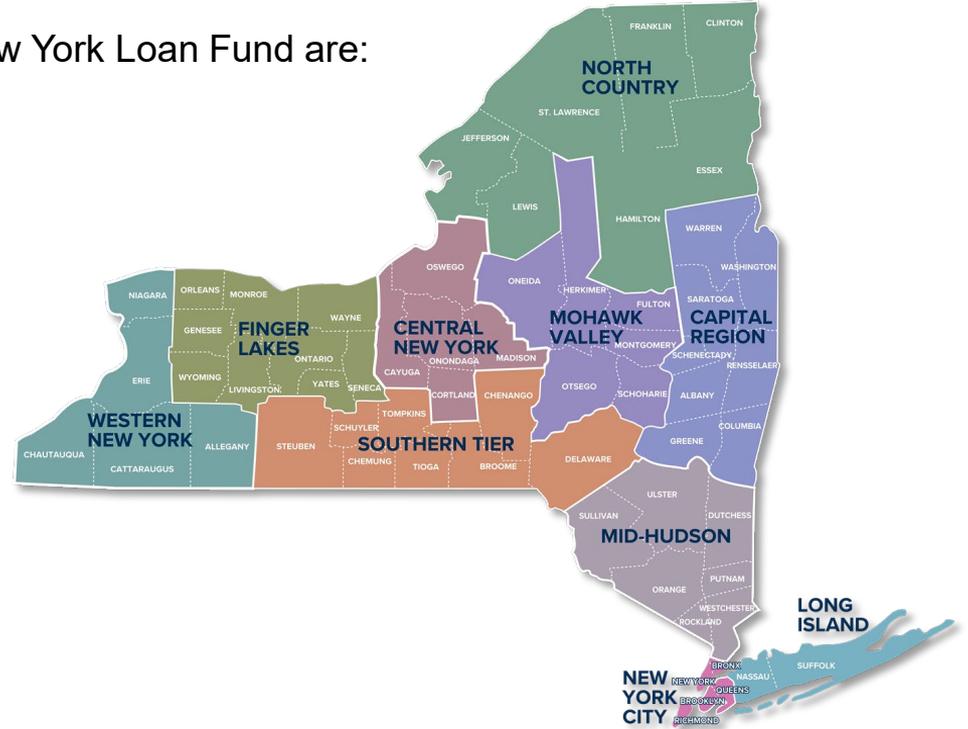


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New York Forward Loan Fund – Geographic Proportionality

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

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



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How do I apply?

PRE-APPLICATIONS will be OPEN ONLINE starting May 26th, 2020 at Noon EDT at: www.nyloanfund.com

Five (5) Community Development Financial Institution (CDFI) lenders are accepting applications.

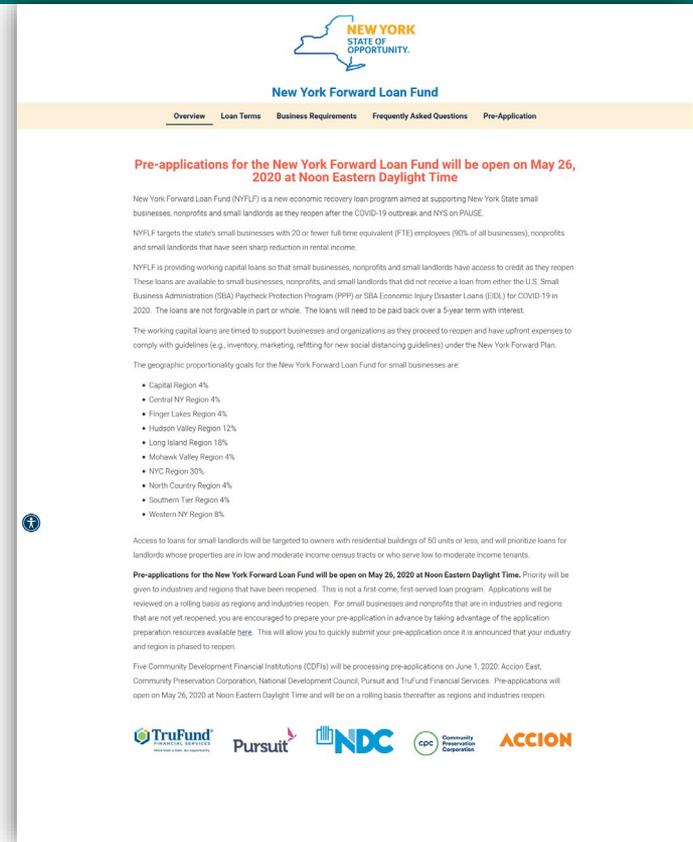
The application portal will help you choose the best lender for your industry and area.

Please do not apply to a lender directly!

Small Businesses: Accion East, National Development Council, Pursuit and TruFund Financial Services

Nonprofits: National Development Council and TruFund Financial Services.

Small Landlords: Community Preservation Corporation



The screenshot shows the New York Forward Loan Fund website. At the top right is the New York State of Opportunity logo. Below it is the title "New York Forward Loan Fund" and a navigation menu with links for Overview, Loan Terms, Business Requirements, Frequently Asked Questions, and Pre-Application. The main content area features a red heading: "Pre-applications for the New York Forward Loan Fund will be open on May 26, 2020 at Noon Eastern Daylight Time". The text below explains that the 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. It states that 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 sharp reduction in rental income. The program provides 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 text continues: "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 are 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." It also states: "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. 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." At the bottom, there are logos for TruFund Financial Services, Pursuit, NDC, Community Preservation Corporation, and ACCION.



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SMALL BUSINESSES

New York Forward Loan Fund



The New York Forward Loan Fund – Loan Terms (Small Business)

Working Capital loans can be up to \$100,000 on a five-year term.

SMALL BUSINESSES

Loan Amounts:

- For small businesses: Lesser of (a) \$100,000 or (b) up to 100% of average monthly revenues for a 3-month period prior to the COVID-19 outbreak.
- The 3-month period can be any 3-month period from 2019 or January to March 2020.

Interest Rates:

- For small businesses and landlords, the fixed annual interest rate on the loan will be 3%.

Repayment: Term: 5 years (60 months).

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



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The New York Forward Loan Fund – Loan Terms (continued)

Use of Proceeds:

- 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.
- Refinancing of an existing loan is not permitted.
- 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.



The New York Forward Loan Fund – Small Business Eligibility

To be eligible for a New York Forward Loan Fund loan, a small business must meet the following requirements:

- Employ 20 or fewer full time equivalent (FTE) employees.
- Have gross revenues of less than \$3 million per year.
- **Have not received an SBA Paycheck Protection Program (PPP) or an Economic Injury Disaster Loan (EIDL) 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 one year as of the date of loan application.
- Be headquartered in and do business in the State of New York.

Note: 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.



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The New York Forward Loan Fund – Ineligible Businesses

Businesses that are NOT eligible include, but may not be limited to:

- Corporate-owned franchises.
- Not-for-profit social clubs.
- Branch banks.
- Payday loan stores.
- Pawn shops
- Astrology, palm reading;
- Liquor stores, night clubs;
- Adult bookstores, massage parlors, strip clubs;
- Truck waging facilities;
- Trailer-storage yards;
- Marijuana dispensaries.



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The New York Forward Loan Fund – Small Business Documentation

A Small Business loan applicant must provide the following documentation:

- Most recently filed tax returns, if available and required by the lender; if not available, internally generated income statements or other documentation used to determine cash flows.
- Schedule of ownership (name, address, Social Security number, phone number, e-mail, percentage ownership, photo ID for any owners with more than 20% ownership).
- Executed Attestation Form (will be provided by lender).
- Brief description of COVID-19 impacts on jobs and revenues.
- Evidence of legal formation of business entity (Articles of Incorporations and/or Bylaws).
- Personal Credit Report (if applicable).

Your lender will reach out to the loan applicant to collect the required documentation, conduct any credit checks, and finalize the application review process with you.



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SMALL LANDLORDS

New York Forward Loan Fund



The New York Forward Loan Fund – Loan Terms (Small Landlords)

Working Capital loans can be up to \$100,000 on a five-year term.

SMALL LANDLORDS

Loan Amounts:

- For landlords, lesser of (a) \$100,000 or (b) projected reduction in 3-months net operating income based on actual lost income for the month of April 2020 or May 2020.

Interest Rates:

- For small businesses and landlords, the fixed annual interest rate on the loan will be 3%.

Repayment: Term: 5 years (60 months).

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



The New York Forward Loan Fund – Loan Terms (continued)

Use of Proceeds:

- 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.
- Refinancing of an existing loan is not permitted.
- 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.



The New York Forward Loan Fund – Small Landlord Eligibility

To be eligible for a New York Forward Loan Fund loan, a small landlord must meet the following requirements:

- 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 New York 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 life and safety violations.



The New York Forward Loan Fund – Small Landlord Eligibility (continued)

To be eligible for a New York Forward Loan Fund loan, a small landlord must meet the following requirements:

- **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.
- Properties must be located in the State of New York.

Note: 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.



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The New York Forward Loan Fund – Small Landlord Documentation

A Small Landlord loan applicant must provide the following documentation:

- Most recently filed tax returns, if available and required by the lender.
- 2019 Income and Expense statement.
- Property Rent Roll showing economic impact.
- Schedule of ownership (name, address, Social Security number, phone number, e-mail, percentage ownership, photo ID for any owners with more than 20% ownership).
- Executed Attestation Form (to be provided by lender).
- Hardship Letter specifying COVID-19 impacts on jobs and revenues.
- Forbearance Disclosure Statement.
- Evidence of legal formation of business entity (Articles of Incorporations and/or Bylaws).
- Personal Credit Report (if applicable).

Your lender will reach out to the loan applicant to collect the required documentation, conduct any credit checks, and finalize the application review process with you.



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NONPROFITS

New York Forward Loan Fund



The New York Forward Loan Fund – Loan Terms (Nonprofits)

Working Capital loans can be up to \$100,000 on a five-year term.

NONPROFITS

Loan Amounts:

- For nonprofits, lesser of (a) \$100,000 or (b) up to 100% of average monthly expenses for a 3-month period prior to the COVID-19 outbreak; the 3-month period can be any 3-month period from 2019 or January to March 2020.

Interest Rates:

- For nonprofits, the fixed annual interest rate on the loan will be 2%.

Repayment: Term: 5 years (60 months).

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



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The New York Forward Loan Fund – Loan Terms (continued)

Use of Proceeds:

- Proceeds are required to be used for working capital, such as inventory, marketing, refitting for new social distancing guidelines, operating and emergency maintenance, property taxes, utilities, rent, supplies, etc.
- Refinancing of an existing loan is not permitted.
- 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.



The New York Forward Loan Fund – Nonprofit Eligibility

To be eligible for a New York Forward Loan Fund working capital loan, a nonprofit must meet the following requirements:

- 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.
- 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
- Located in the State of New York.

Note: 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.



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The New York Forward Loan Fund – Nonprofit Documentation

As part of the application, a Nonprofit loan applicant must provide the following documentation:

- Most recent audited or reviewed financial statements, as applicable, and most recent internal financial statements, if available.
- Most recently filed IRS Form 990.
- Evidence of legal formation of nonprofit entity (Articles of Incorporations and/or Bylaws).
- Executed Attestation Form (to be provided by lender).
- Information of the nonprofit's executive team member signing (name, address, Social Security number, phone number, e-mail, photo ID).
- Nonprofit board approval and resolution.
- Brief description of COVID-19 impacts on jobs and revenues.

Your lender will reach out to the loan applicant to collect the required documentation, conduct any credit checks, and finalize the application review process with you.



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APPLICATION QUESTIONS

New York Forward Loan Fund



The New York Forward Loan Fund – Application Questions

Once you start an application, you will be asked to answer a series of questions:

1. How much do you want to borrow?

- The maximum loan amount is 3 months average monthly revenues before the COVID-19 outbreak, up to \$100,000.
- For small landlords, the maximum amount is the projected reduction in income for three months, up to \$100,000.

2. How do you plan to use your loan?

- Proceeds are required to be used for working capital. Please select working capital.

3. When do you need financing by?

- Please let us know the urgency of your request.

4. Tell us a little about your business.

- Applicants must have been in operation for at least one year.



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The New York Forward Loan Fund – Application Questions (part 2)

Once you start an application, you will be asked to answer a series of questions:

5. Where is your business located?

- Applicants must have a valid business address within the State of New York.

6. How should we reach you?

- The online application should be completed and submitted by the owner of the business with the largest ownership interest. Any owner with more than 20% ownership will be required to attest to the information.

7. What was your total revenue last year?

- Small Business and Nonprofit Applicants must have realized gross annual revenues of less than \$3 million per year pre-COVID-19.

8. Did you earn a profit last year? (select Yes/No)



The New York Forward Loan Fund – Application Questions (part 3)

Once you start an application, you will be asked to answer a series of questions:

9. What was your annual net profit last year?

10. I need a few more details about your business.

- Businesses should detail location, industry, number of employees and legal structure. Landlords should detail their properties and their locations.

11. Do you have collateral to support the loan?

- The New York Forward Loan Fund does NOT require collateral to receive a loan.

12. How much revenue do you expect to make this year? (select Yes/No)

The New York Forward Loan Fund – Application Questions (part 4)

Once you start an application, you will be asked to answer a series of questions:

13. Do you have a business plan?

- A complete business plan will include financial projections, a market analysis, and an overview of your business. It is not required to have a business plan to receive a New York Forward Loan Fund loan.

14. Is your business owned by women, people of color, veterans, and/or LGBTQ-identifying people? (select Yes/No)

15. Is your business owned by women, people of color, veterans, and/or LGBTQ-identifying people?

- Select all that Apply

16. What is your Personal Credit Score?

- Small business owners and Landlords are subject to a credit check.



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SPECIAL NOTES & RESOURCES

New York Forward Loan Fund



The New York Forward Loan Fund – Special Notes

- Participating lenders are responsible for making their own credit decisions.
- Due to a limited amount of funding and the high volume of requests expected, your business type, geography and industry may factor into your ability to receive a loan.
- Due to the high expected demand, the number of New York Forward loans will be limited.
- Applications will be reviewed on rolling basis as regions and industries are phased to reopen.
- Please note that submitting a pre-application is not indication of eligibility or that funding will be approved. We recommend applying as soon as possible. In the event the website is overwhelmed, we recommend checking back often to submit your pre-application.
- A borrower should only submit one application, loan terms do not change from lender to lender and multiple requests could slow your process.



The New York Forward Loan Fund – Special Notes (example payments)

Example \$100,000 Loan Required Monthly Payments			
Time	Monthly Payment @ 3%	Monthly Payment @ 2%	Notes
First 12 Months	\$250.00	\$166.67	Interest Only
13 - 60 Months	\$2,213.43	\$2,169.51	Principal and Interest
Example \$50,000 Loan Required Monthly Payments			
Time	Monthly Payment @ 3%	Monthly Payment @ 2%	Notes
First 12 Months	\$125.00	\$83.33	Interest Only
13 - 60 months	\$1,106.72	\$1,084.76	Principal and Interest
Example \$20,000 Loan Required Monthly Payments			
Time	Monthly Payment @ 3%	Monthly Payment @ 2%	Notes
First 12 Months	\$50.00	\$33.33	Interest Only
13 - 60 months	\$442.69	\$433.90	Principal and Interest

What will my monthly payments look like?

- Your monthly payments will vary based upon the amount of money you borrow.
- Principal and interest monthly payments required based on a straight-line amortization assuming full repayment at 60 months.
- Calculations for illustrative purposes only.



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Free Assistance for Preparing Applications

Free assistance with reconstructing financial records, preparing financial statements and submitting the loan applications is available from:

- SBA Small Business Development Centers (SBDC): <http://nysbdc.org/>
- Entrepreneurship Assistance Centers (EAC):
<https://esd.ny.gov/sites/default/files/EAC%20Contact%20List.pdf>
- Community Development Financial Institutions (CDFI):
<https://esd.ny.gov/sites/default/files/CDFI%20List.pdf>
- Business Mentor NY COVID-19 Volunteer Task Force: www.businessmentor.ny.gov
- ESD Small Business Division: <https://esd.ny.gov/doing-business-ny/small-business-hub>
- NYS Homes and Community Renewal Program Page (for Small Landlords):
<https://hcr.ny.gov/NYForwardLoan>



Together we will move forward!
Thank you for supporting Small Business in New York State

