

# Linked Deposit Program

## Application Package

1. **Lender Application and Linked Loan Designation**  
(to be completed by the loan officer)
2. **Borrower Statement and Confidentiality Request**  
(to be completed by the borrower)

Revised: December 2022

The Loan Officer should forward the completed Lender and Borrower documents to ESD via email:

Empire State Development  
Linked Deposit Program  
Albany, NY 12245  
Tel: (518) 292-5261  
E-Mail: [Linkeddeposit@esd.ny.gov](mailto:Linkeddeposit@esd.ny.gov)  
Website: [www.esd.ny.gov](http://www.esd.ny.gov)



**Kathy Hochul**  
Governor, State of New York

Empire State Development  
Albany, NY 12245

# Linked Deposit Program

## LENDER APPLICATION

"Borrower Statement" and "Borrower Certification" and "NYS-45" form attached:

YES  NO  (If not, this application cannot be processed by LDP)

Borrower "Confidentiality Request" submitted: YES  NO

FOR ESD USE ONLY

PROJECT ID#: \_\_\_\_\_

DATE RECEIVED: \_\_\_\_\_

### LENDER DATA:

Lender's Name: \_\_\_\_\_

Lender's Address: \_\_\_\_\_ E-Mail: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ County: \_\_\_\_\_

Loan Officer: \_\_\_\_\_ Title: \_\_\_\_\_

Telephone: (\_\_\_\_\_) \_\_\_\_\_ Fax: (\_\_\_\_\_) \_\_\_\_\_ Address/telephone number change? \_\_Y\_\_N

### BORROWER DATA:

Name of Borrower: \_\_\_\_\_ Tax Identification # \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ County: \_\_\_\_\_

Borrower's Contact: \_\_\_\_\_ Title: \_\_\_\_\_

Telephone: (\_\_\_\_\_) \_\_\_\_\_ Email Address: \_\_\_\_\_

Name of Operating Company (if different than Borrower): \_\_\_\_\_ Tax Identification # \_\_\_\_\_

Address/Location of Operating Company (if different than address above) \_\_\_\_\_

Operating Company's Business Activity Code (NAICS): \_\_\_\_\_ Has the company received LDP assistance in the past? \_\_\_\_\_

### PROJECT DATA:

Description of Project: \_\_\_\_\_

Project Location/Address: \_\_\_\_\_ Project County: \_\_\_\_\_

\*MWBE-Certified: \_\_\_\_\_ Minority Owned: \_\_\_\_\_ Woman Owned: \_\_\_\_\_ Technology or Innovation Business

Highly Distressed Area: \_\_\_\_\_ Defense Diversification Project: \_\_\_\_\_ \*Service-Disabled Veteran-Owned Business

\*Please attach a copy of the Borrower's MWBE or Service-Disabled Veteran-Owned Business certification.

Has equipment been purchased or ordered? \_\_\_\_\_ Has construction started? \_\_\_\_\_

TYPE OF BUSINESS: \_\_\_ Manufacturer \_\_\_ Agricultural \_\_\_ Service \_\_\_ Retail \_\_\_ Community Development Financial Institution

PRODUCT/SERVICE: \_\_\_\_\_

TOTAL PROJECT COST: \$ \_\_\_\_\_

LENDER APPROVED LOAN: Amount: \$ \_\_\_\_\_ Rate: \_\_\_\_\_ % Term: \_\_\_\_\_  
(must be at least 4 years)

LINKED DEPOSIT LOAN: Amount: \$ \_\_\_\_\_ Rate: \_\_\_\_\_ % Term: 48 Months

(Note: The Loan Rate and the Deposit Interest Rate must be **FIXED** rates during the 4-year term of LDP participation. The Linked Deposit will not be made until the permanent loan is closed.)

ANY OTHER ASSISTANCE ON THIS PROJECT (ESD, NYSERDA, SBA, NYBDC, County, Other)?  
\_\_\_\_\_

EQUITY CONTRIBUTION: \_\_\_\_\_

PURPOSE OF LOAN:	AMOUNT:	EXPLANATION:
Working Capital	\$ _____	_____
Machinery & Equipment	\$ _____	_____
Real Estate	\$ _____	_____
Other	\$ _____	_____

Is any refinancing involved? \_\_\_\_\_ How much is the refinanced portion? \$ \_\_\_\_\_ Note: LDP cannot be used for refinancing purposes.

WILL THERE BE ANY INTERIM FINANCING ON THIS PROJECT BEFORE LDP PARTICIPATION? \_\_\_\_ YES \_\_\_\_ NO

IF YES, WHEN WILL THE INTERIM FINANCING BEGIN? \_\_\_\_\_

WHEN WILL THE PERMANENT LOAN CLOSE AND THE LDP DEPOSIT BE REQUIRED? \_\_\_\_\_

**LENDER CERTIFICATION:**

The undersigned officer of the Lender hereby certifies, on behalf of the Lender, as follows:

1. The linked deposit loan interest rate indicated in this application for this loan was calculated based upon the current interest rate that would be charged for the loan in the absence of the program, and the linked deposit loan interest rate will be a fixed interest rate charged during the term of the linked deposit applicable to the loan, even if the rate is determined upon variable rate conditions.
2. In connection with the loan that is subject to this application, the Lender will not charge any discount, points, origination fees, handling fees, service charges, refinancing fees or penalties or charges other than those normally charged, and in such amounts normally charged, by the Lender for loans of the type being made without regard to the Linked Deposit Program.
3. The Lender agrees to give prompt notice to the authorized depositor and Empire State Development of any increase in the interest rate of the linked loan as a consequence of default on or renegotiation of the linked loan, or if the linked loan is charged off, prepayment of all or part of a linked loan is made, or if there is a sale or assignment of all or part of a linked loan.
4. The information contained in this Lender's Application is, to the best of the Lender's knowledge after due inquiry, true and correct. The undersigned is aware that any material misrepresentation purposefully made in this application constitutes an act of fraud.

IN WITNESS WHEREOF, the undersigned has executed this Lender's Certification as of \_\_\_\_\_, 20\_\_\_\_\_.

Signature: \_\_\_\_\_

Loan Officer's Name & Title: \_\_\_\_\_

Lending Institution: \_\_\_\_\_

Empire State Development  
Albany, NY 12245

# Linked Deposit Program

## LINKED LOAN DESIGNATION

Lender: \_\_\_\_\_

Lender Address: \_\_\_\_\_

Borrower: \_\_\_\_\_

Borrower Address: \_\_\_\_\_

Principal Amount of Linked Loan: \$ \_\_\_\_\_

Loan Interest Rate (absent Linked Deposit): \_\_\_\_\_

Reduced Linked Loan Interest Rate: \_\_\_\_\_

Current CD Interest Rate (Lender's published 4-year CD rate): \_\_\_\_\_

Linked Deposit Interest Rate: \_\_\_\_\_

Amount of Linked Deposit: \$ \_\_\_\_\_

Anticipated Date of Linked Deposit: \_\_\_\_\_

Linked Deposit Maturity Date: **48 months from the original deposit date.**

**NOTE:** *Linked Loan Interest Rate and Linked Deposit Interest Rate must be a fixed rate for the term of LDP participation. The linked deposit will not be made until the permanent loan is closed. In a low interest rate environment the actual reduction is limited to the CD rate, thus if the CD rate is less than the subsidy approved, the borrower may not receive a full 2% or 3% reduction.*

**Pursuant to the Linked Deposit Agreement ("Agreement") between the undersigned lender ("Lender") and the Depositor, Lender hereby agrees that the linked deposit ("Linked Deposit") relating to the above-specified linked loan shall be governed by the items and conditions of the Agreement. Upon deposit of the Linked Deposit by the Depositor, this Linked Loan Designation shall become effective and shall be incorporated in and become a part of the Agreement.**

Date: \_\_\_\_\_ LENDER: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

TITLE: \_\_\_\_\_

**Completed Lender Application and Borrower Statement can be submitted by mail, fax or email.**

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Albany, NY 12245

# Linked Deposit Program

## BORROWER STATEMENT

**TO BE COMPLETED BY THE BORROWER/OPERATING COMPANY:**

The following information should be provided by the Borrower as part of the LDP Application process. It should be submitted to the Lender prior to the Lender's preparation of the LDP application.

All information contained herein will be treated as confidential as long as the appropriate box(es) have been checked on the "Confidentiality Request" form (attached).

**Borrower / Operating Company Name:** \_\_\_\_\_

**Operating Company's principal place of business (must be in New York State):** \_\_\_\_\_

**Type of Business Entity (Corporation, Partnership, Sole Proprietorship):** \_\_\_\_\_

**If Corporation, State of incorporation:** \_\_\_\_\_ **Tax Identification#** \_\_\_\_\_

**Lending Institution:** \_\_\_\_\_

**Has company received Linked Deposit assistance in past?**  **Yes**  **No Lender:** \_\_\_\_\_

**1. DESCRIBE OPERATING COMPANY'S BUSINESS:** (Include type of business, purpose of business, products produced, or services offered, customer base, market area)

**2. PURPOSE OF THIS LOAN:** (Be specific, i.e., to purchase equipment (itemize), purchase new building or construct addition to an existing building, expand business, develop a new product, buyout of an existing NYS-company, etc.)

**3. DESCRIBE THIS PROJECT IN DETAIL:** (Include an explanation of how the project will improve the business's competitiveness; indicate new services or products to be offered, provide projections for increased production capacity, and describe efficiency improvements to be achieved.)

LAST COMPLETE YEAR-END SALES: \$ \_\_\_\_\_ for fiscal year end: 20 \_\_\_\_\_

PROJECTED SALES (over the next 2 years): \$ \_\_\_\_\_ for FYE 20\_\_\_\_; and \$ \_\_\_\_\_ for FYE 20\_\_\_\_

EXPANSION PROJECT: Existing facility \_\_\_\_\_ sq. ft. New facility \_\_\_\_\_ sq. ft.

**4. This project is significant for improving the competitive position and profitability of the borrower because it:** (check one or more items from the following list)

1. Reduces production and operation costs.
2. Is necessary for the business to keep pace with industry competition (domestic and/or foreign).
3. Allows entry into other markets and/or reduces dependency on department of defense or other military contracts.
4. Allows for introduction of modern equipment and/or permits expansion.
5. Provides financing to enable the business to carry out government procurement contract requirements.
6. Reduces costs and/or improves the quality of information, reporting and control systems.
7. Addresses improvements in the production process or operations to comply with environmental regulations that directly affect the productivity and competitiveness of the business.
8. Allows for reorganization or improvement of work place systems (total quality management, employee participation, etc.).
9. Allows for development and introduction of new products or services. **Identify new product/service** \_\_\_\_\_
10. Allows for new market identification and development, including export to foreign markets. **Identify new market(s)** \_\_\_\_\_
11. Other (explain): \_\_\_\_\_

**5. How would the Borrower's ability to undertake this project be impeded without the subsidized loan interest rate available through LDP (i.e., what problems will be incurred if LDP assistance IS NOT provided)?**

**6. EMPLOYMENT INFORMATION:**

- a. Operating company's current # of permanent NYS based employees/owners: \_\_\_\_ full-time \_\_\_\_ part-time

*(To substantiate the number of employees, please attach a copy of company's most recent NYS-45, Quarterly Combined Withholding Wage Reporting and Unemployment Insurance Return form that has been filed with the New York State Department of Taxation and Finance.)*

- b. Number of permanent NYS based employees directly related to this project:

Positions to be created: \_\_\_\_\_ full-time \_\_\_\_\_ part-time

Positions to be retained: \_\_\_\_\_ full-time \_\_\_\_\_ part-time

*(ALL current positions cannot be considered retained unless the company has plans to close or move out of State if LDP assistance is not made available.)*

When will the new positions be created (approximate time frame): \_\_\_\_\_

7. **PRESS RELEASES.** Empire State Development may wish to publish press releases on companies assisted by the Linked Deposit Program. Would you be willing to allow ESD to publish such a press release on your company?

Yes

No

**8. BORROWER CERTIFICATION:**

The undersigned officer of the Borrower hereby certifies, on behalf of the Borrower, as follows:

1. The operating company has not exceeded the legislated lifetime maximum of \$2 million in Linked Deposit Program assistance.
2. Inability to obtain the reduced rate of loan interest provided by the Linked Deposit Program would impede the ability of the Borrower to undertake the project for which the loan will be used (relates to question No. 5 on previous page describing how the Borrower would be impeded from undertaking this project without LDP assistance).
3. The Borrower agrees to respond to any future requests for information or surveys requested by Empire State Development and that Borrower's failure to respond to such requests could result in ESD withdrawing this linked deposit.
4. The information contained in this application is, to the best of the Borrower's knowledge, true and correct. The Borrower is aware that any material misrepresentation purposefully made in this application or any use of linked loan proceeds for other than those uses specified in this application, constitutes an act of fraud.

**IN WITNESS WHEREOF, the undersigned has executed this Borrower's Certification as of \_\_\_\_\_, 20\_\_\_\_\_.**

**Borrower's Name:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Print Name & Title:** \_\_\_\_\_

**BORROWER'S CONFIDENTIALITY REQUEST**

The Borrower understands that unless the borrower has checked a box below requesting confidentiality, information provided in this application will be available for public inspection and copying.

The Borrower hereby requests that this application and any information gained about its business by the State of New York in connection with monitoring the Linked Deposit Program be maintained in confidence pursuant to Section 87(2)(d) of the Public Officers Law because such application and/or information contains:

Trade Secrets

Proprietary Information

Information that, if disclosed, would cause substantial injury to the competitive position of the Borrower.

The Borrower hereby certifies that the statements contained in this Confidentiality Request are true and correct.

**Dated:** \_\_\_\_\_ **Borrower's Name:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Title:** \_\_\_\_\_

Upon completion of this "Borrower Statement," submit it to the Lender for further processing of the LDP application.

**REQUIRED ATTACHMENT:** The operating company must provide a copy of its most recent unemployment insurance/wage reporting tax form (NYS-45) that was filed with the NYS Department of Taxation & Finance or other NYS tax form (e.g., Schedule C or F). If employees are leased please provide a letter from the leasing company confirming the number of employees leased to the operating company. This application CANNOT be processed without this attachment.

ELIGIBLE FIRMS QUALIFIED FOR 2% INTEREST RATE SUBSIDY	ELIGIBLE PROJECTS
<p><b>Manufacturing Firms</b></p> <ul style="list-style-type: none"> <li>500 or fewer full-time NYS based employees</li> </ul> <p><b>Service Businesses</b></p> <ul style="list-style-type: none"> <li>independently owned and operated</li> <li>100 or fewer full-time, NYS based employees</li> <li>not dominant in its field</li> <li>project that will result in the retention or creation of permanent private sector jobs</li> <li>within the state</li> </ul> <p><b>Community Development Financial Institutions (CDFIs)</b></p> <p><b>Not Eligible:</b></p> <p>Businesses that provide a personal service (those that sell a service rendered personally by an individual for another individual (e.g., day cares, funeral homes) or professional services (e.g., health, legal, accounting, engineering, educational), or retail services (e.g., restaurants, entertainment, grocery stores, etc.) are not eligible UNLESS the business employs 100 or fewer in NYS and they fall in one of the qualifying 3% categories outlined below.</p> <p>Pre-Start-up businesses (those that have no sales and/or employment) and companies that are headquartered outside of NYS.</p>	<ul style="list-style-type: none"> <li>Preparation of strategic plans for improving productivity and competitiveness;</li> <li>Introduction of modern equipment and/or purchase or expansion of facilities as part of a modernization plan;</li> <li>Introduction of advanced technologies to improve productivity and quality;</li> <li>Improvements in production processes and operations;</li> <li>Introduction of computerized information, reporting and control systems;</li> <li>Reorganization or improvement of work place systems and the introduction of total quality and employee participation programs;</li> <li>Development and introduction of new products;</li> <li>Identification and development of new markets, including entry into foreign markets;</li> <li>Buyouts of viable companies by employees or local owners residing in the State;</li> <li>Provision of working capital for other modernization activities that will improve the competitiveness and productivity of a firm and result in the creation or retention of jobs.</li> <li>Community Development Financial Institutions (CDFIs) lending to small businesses.</li> </ul>
ELIGIBLE FIRMS QUALIFIED FOR 3% INTEREST RATE SUBSIDY	ELIGIBLE PROJECTS
<p><b>Certified Minority or Women Owned Businesses / Service-Disabled Veteran-Owned Business</b></p>	<ul style="list-style-type: none"> <li>Financing to carry out a procurement contract with a State or Federal agency, authority, or other entity. Non-certified MWBE and Service-Disabled Veteran-Owned Business or other LDP eligible projects not related to a procurement contract would be eligible for the 2% reduction.</li> </ul>
<p><b>Highly Distressed Areas</b> Businesses with 100 or fewer full-time, NYS based employees</p>	<ul style="list-style-type: none"> <li>Projects that will create or retain full-time permanent jobs within a Highly Distressed Area. (Retail Businesses must show preservation of existing jobs or increase in the <b>overall</b> number of retail jobs in the area.)</li> </ul>
<p><b>Agricultural Firms</b> As defined in Subdivision two of section 301 in Agriculture &amp; Markets Law) with 500 or fewer full-time, NYS based employees</p>	<ul style="list-style-type: none"> <li>Projects that will expand or improve agricultural operations and create or retain full-time permanent jobs within New York State.</li> </ul>
<p><b>Technology or Innovation Businesses</b> Businesses with 100 or fewer full-time, NYS based employees</p>	<ul style="list-style-type: none"> <li>Qualifying businesses engaged in biotechnologies, information &amp; communication technologies, advanced materials and processing technologies, electronic and photonic devices and components, energy efficiency, renewable energy and environmental technologies, or small scale systems integration and packaging.</li> </ul>
<p><b>Defense Industry Manufacturers</b> 25% of gross revenues derived from defense contracts/subcontracts</p>	<ul style="list-style-type: none"> <li>Reduce dependence on Department of Defense and other military contracts/subcontracts.</li> <li>Change or diversify production in order to take advantage of other (non-military) markets.</li> </ul>