

NEW YORK FORWARD LOAN FUND

Frequently Asked Questions – updated 7/24/2020



Empire State
Development

What is the New York Forward Loan Fund?

- 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 as a result of the COVID-19 outbreak and NYS on PAUSE. NYFLF has been established with the goal of providing affordable working capital loans to severely impacted businesses over the coming months. Small businesses, nonprofits and small landlords who received a loan from either the U.S. Small Business Administration (SBA) Paycheck Protection Program or SBA Economic Injury Disaster Loan for COVID-19 are not eligible to apply to NYFLF at this time.

Who is funding the New York Forward Loan Fund?

- New York Forward Loan Fund is a partnership led by the State of New York with funding and support from Apple Bank, BNB Bank, Evans Bank, M&T Bank, Morgan Stanley, Wells Fargo, BlackRock Charitable Fund, Citi Foundation, Ford Foundation and the Ralph C. Wilson, Jr. Foundation.
- Additional support is being provided by Local Initiatives Support Corporation (LISC) Fund Management, the Community Reinvestment Fund, USA, and Calvert Impact Capital.
- Loans will be made available through five local Community Development Financial Institutions (CDFI) lenders — Accion East, Community Preservation Corporation (for small landlords), National Development Council, Pursuit and TruFund Financial Services.

When does the New York Forward Loan Fund Open?

- The pre-application portal for small business and nonprofits opened on May 26, 2020 at Noon Eastern Daylight Time for industries and regions that have been reopened.
- The pre-application portal for small landlords who currently operating occupied residential units opened on May 26, 2020 at Noon Eastern Daylight Time for all regions.
- Participating CDFI lenders will begin reviewing pre-applications starting on June 1 for those industries and regions that are reopened.
- Pre-applications will be reviewed on a rolling basis as regions and industries are phased to reopen.

How much funding is available?

- There is an initial funding of over \$100 million, with 5% reserved for nonprofit organizations, 30% reserved for small landlords and 65% reserved for small businesses.

What kinds of businesses does the New York Forward Loan Fund help?

- The fund is aimed at helping small businesses, nonprofits and small landlords in the State of New York, targeting businesses and nonprofits across every county and region of the state and nearly all industries.
- **Small Businesses:** To qualify, small businesses must employ 20 or fewer full-time equivalent (FTE) employees, have realized gross revenues of less than \$3 million per year and have suffered a direct

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economic hardship as a result of COVID-19 related social distancing policies and stay-at-home order that have materially impacted their operations.

- **Nonprofits:** To qualify, nonprofits must employ 20 or fewer full-time equivalent (FTE) employees, be a 501(c)(3) or faith-based organization providing direct services, have an annual operating budget of less than \$3 million per year and 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.
- **Small Landlords:** To qualify, small landlords must own no more than 200 units, with no single property greater than 50 units. Properties must be located in a low or moderate (LMI) census tract or meet a rent test where property rents are affordable to tenants who are low or moderate income.

What are direct services?

- Direct services are a program or activity that works directly with an intended population. The term is used to distinguish such programs from those that seek to change conditions through advocacy or public education.
- Examples include but are not limited to daycare services, legal aid, food banks, soup kitchens, after school programs, senior services, educational programs, and clothing banks.

How do I know if my Industry/County/Region is eligible to reopen?

- Up-to-date information can be found at <https://forward.ny.gov/>
- Pre-applications for small businesses and nonprofits will be reviewed on a rolling basis as reopening continues. If your business is not yet eligible to reopen (i.e., you are in a later phase), you are encouraged to prepare in advance and take advantage of 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.
- Pre-applications for small landlords eligible to apply open on May 26, 2020 at Noon Eastern Daylight Time for all regions. Additional information can be found at [HCR's website](#).

Where can I go to apply for the New York Forward Loan Fund?

- Pre-applications will become available on May 26, 2020 at Noon Eastern Daylight Time at nyloanfund.com.

What happens after I complete the online pre-application?

- After you have completed and submitted the online pre-application and are deemed eligible, you will be matched with a participating CDFI lender that will review your request and contact you to start the full loan application.

What if I need help completing my small business loan application?

- There are many free resources, including Entrepreneurship Assistance Centers (EACs) and Small Business Development Centers (SBDCs). For more information [click here](#).

Who from my business needs to complete the loan application?

- The online pre-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 also be required to attest to the information provided.

Who from my nonprofit needs to complete the loan application?

- The online pre-application should be completed and submitted by a member of the nonprofit's executive team.

How soon can I get my money once my loan is approved?

- The New York Forward Loan Fund knows that your funding needs are urgent. All applications are assessed on a case-by-case basis, with a target of 2-3 weeks from loan application to closing. To accelerate processing of your loan, please prepare the information required in advance.
- Small Business and Nonprofits: For help with the loan application and additional resources available to entrepreneurs please click [here](#).
- Small Landlords: Please visit [HCR's website](#).

How much money can I borrow?

- **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.
- **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.
- **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.

What are the terms of your loans?

- The New York Forward Loan Fund provides affordable loans up to \$100,000 payable over 5 years with interest only payments for the first 12 months.
- **The borrower may repay the loan early without a prepayment penalty.**
- The interest rate for small businesses and small landlords is 3% and for nonprofits it is 2%.

What are the interest rates?

- The fixed annual interest rate on the loan will be 3% for small businesses and small landlords or 2% for nonprofits.

What will nonprofits monthly payments look like?

- Your monthly payments will vary based upon the amount of money you borrow.

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

* Interest will be simple; Principal and interest monthly payments required based on a straight-line amortization assuming full repayment at 60 months. Calculations for illustrative purposes only.

What can I use my loan for?

- 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.

What steps are you taking to help ensure this money is getting to businesses that need it the most?

- The New York Forward Loan Fund is specifically targeted at small businesses and organizations that were not able to receive a loan from either the U.S. Small Business Administration (SBA) Paycheck Protection Program (PPP) or SBA Economic Injury Disaster Loan (EIDL) for COVID-19 —with a focus on organizations that are typically underserved, underbanked or otherwise have difficulty accessing capital.

What are the small business eligibility requirements for a loan from the New York Forward Loan Fund?

- Eligible businesses must be a corporation, partnership, limited liability corporation, or sole proprietorship. Each business can only apply for one loan. They must also:
 - Employ 20 or fewer full-time equivalent (FTE) employees;
 - Have gross revenues of less than \$3 million per year;
 - Have not received a loan from either the U.S. Small Business Administration (SBA) Paycheck Protection Program (PPP) or an Economic Injury Disaster Loan (EIDL) for COVID-19 in 2020 (EIDL Grants are allowed);**
 - Have suffered a direct economic hardship as a result of COVID-19 related social distancing policies and stay-at-home order that have materially impacts their operations;

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- Been in business for at least 1 year as of the date of the application; and
- Be located in the State of New York.

What are the nonprofit eligibility requirements for a loan from the New York Forward Loan Fund?

- 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 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 the U.S. Small Business Administration (SBA) Paycheck Protection Program (PPP) or an Economic Injury Disaster Loan (EIDL) for COVID-19 in 2020 (EIDL Grants are allowed);**
 - 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.

Is everyone credit eligible? Who makes credit decisions?

- 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.

What are the property eligibility requirements for small landlords seeking loans?

- Small landlords 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 incomes;
 - 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 physical condition and be free of violations;
 - **Have not received a loan from either the U.S. Small Business Administration (SBA) Paycheck Protection Program (PPP) or an Economic Injury Disaster Loan (EIDL) for COVID-19 in 2020 (EIDL Grants are allowed);**
 - 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.

Does my business need to be based in New York?

- Yes. The main office or headquarters for your business must be in New York State to qualify.
- The loans must be used to support only New York State operations.

What information is required by a small business for a loan from the New York Forward Loan Fund?

- As part of the application, the loan applicant must provide the following documentation:
 - Most recently filed tax returns, if available and required by the lender; if not available, internally generated financial statements or other documentation used to determine cash flows;
 - Schedule of ownership (name, address, Social Security number, phone number, email, percentage ownership, photo ID for any owners with more than 20% ownership);
 - Executed Attestation Form (to 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); and
 - Personal Credit Report (if applicable).
- A participating lender will reach out to the loan applicant to collect the required documentation, conduct any credit checks, and finalize the application review process.

What information is required by a nonprofit for a loan from the New York Forward Loan Fund?

- As part of the application, the 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;
 - Proof of IRS nonprofit status;
 - 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, email, photo ID);
 - Brief description of COVID-19 impacts on jobs and revenues; and
 - Nonprofit board approval and resolution.
- A participating lender will reach out to the loan applicant to collect the required documentation, conduct any credit checks, and finalize the application review process.

What information is required by a small landlord for a loan from the New York Forward Loan Fund?

- As part of the application, the 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, email, percentage ownership, photo ID for any owners with more than 20% ownership);
 - Executed Attestation Form (to be provided by lender);

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- 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); and
- Personal Credit Report (if applicable).
- A participating lender will reach out to the loan applicant to collect the required documentation, conduct any credit checks, and finalize the application review process.

What types of businesses are not eligible for a loan?

- The following businesses are not currently eligible for a loan from the Fund: corporate-owned franchises, not-for-profit social clubs, branch banks, pay day loan stores, pawn shops, astrology, palm reading, liquor stores, night clubs, adult bookstores, massage parlors, strip clubs, track wagering facilities, trailer-storage yards, and marijuana dispensaries.

Do I need collateral for a New York Forward Loan Fund loan?

- No, you do not need collateral to receive a New York Forward Loan Fund loan.

How do I know my information is safe to submit through your website?

- The online loan process is highly secure. The NYFLF platform goes above and beyond to protect your sensitive information. The platform uses TDE (Transparent Data Encryption) in SQL (Structured Query Language), which means the data is encrypted at rest. It also encrypts the data between the app server and the database and uses TLS (Transport Layer Security), which protects communications on the internet, for form submissions. You can also be assured that none of your information will be sold.

What if I don't speak English? What languages are supported?

- The online pre-application form on this site can be completed in English, Spanish, French, Russian, Chinese and Korean. CDFI partners may offer in-house support in English and Spanish. The State is working with community leaders on identifying additional language resources. If you need help with completing the form in a language other than English or Spanish, please contact an Entrepreneurship Assistance Center. See the [Resources page](#) for more information.

How do I apply?

- To get started, please click [here](#).

How do I contact the New York Forward Loan Fund team?

- To contact the team please click [here](#) and under Topic Select "Business loan assistance".

Who are the participating lenders?

- **Small Businesses:** Accion East, National Development Council, Pursuit and TruFund Financial Services are accepting pre-applications for small businesses. Please click [here](#);
- **Nonprofits:** National Development Council and TruFund Financial Services are accepting pre-applications for nonprofits. Please click [here](#); and

For more information, please visit esd.ny.gov

- **Small Landlords:** Community Preservation Corporation is accepting pre-applications for small landlords. Please click [here](#).

Are there any application fees for New York Forward Loan Fund?

- There are no applications fees for the program.

If I own more than one small business, can I apply for a loan for each of my businesses?

- If each business is a separate entity, has a separate tax ID and employs 20 or fewer full-time equivalent (FTE) employees, then you can apply for each of the businesses.

If I am a landlord of units and also a small business owner, can I apply for the two separate NYFLF programs?

- Yes. If each business is a separate entity, has a separate tax ID, and meets the respective requirements for each type of loan.

If my application is rejected by the CDFI that I choose on the online portal, and the match list had yielded other lenders as well, can I apply to another CDFI for a second look?

- No. The approval criterion between lenders is essentially identical. A declined application from one lender can be considered a decline from all lenders in the program. We ask that you do not reapply as the outcome will be the same and it will slow the process for other potential borrowers.

Can I simultaneously apply to more than one CDFI for the program?

- No. Due to the high demand, it will be difficult to process several loan applications for the same business as the same time and it may cause a delay in processing your application.

Can I use proceeds to refinance other loans that are not from CDFIs?

- No, these loans are for working capital to reopen the business. These cannot be used to refinance or pay off any other loan.

Is the New York Forward Loan forgivable?

- No, this is not a forgivable loan. The borrower will need to pay back the loan with interest over a 5 year term.

What happens if I miss a payment on the loan?

- If you miss a payment on your loan, you will be assessed a late fee by the participating CDFI lender per their respective policies.