Submitting a Strong Application For The New York Forward Loan Fund

Tuesday, June 23rd
2:00 PM EDT
presenters

Ann Finnegan, President, Community Impact Loan Fund, NDC
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The Community Preservation Corporation

Casey Noel, AVP, Lending and Initiatives
The Community Preservation Corporation
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 sharp reduction in rental income.

NYFLF is providing working capital loans so that small businesses, nonprofits, and small landlords have access to capital 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, re-fitting 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%

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NYLoanFund.com
CPC believes housing is central to transforming underserved neighborhoods into thriving and vibrant communities.

CPC is a nonprofit affordable housing and community revitalization finance company providing flexible capital solutions, fresh thinking and a collaborative approach to the complex issues facing communities.

Our goal is to be more than just a lender. At CPC, we work as a partner to provide technical expertise and hands-on support to help meet the capital needs and broader community revitalization goals of our customers, local stakeholders and the communities we serve.
National Development Council (NDC)

Capacity

Technical Assistance

Training & Certification

Financing & Development

Affordable Housing

Small Business Lending

Housing & Economic Development

**Technical Assistance** - NDC field directors help define, design and execute development and business finance initiatives.

**Training** - NDC instructors teach skills and knowledge needed to successfully facilitate housing and economic development projects.

**Affordable Housing** - NDC serves as a development partner as well as providing syndicated investments in low income and historic tax credits.

**Small Business Lending** - NDC creates jobs through lending that focuses on LMI as well as W/MBE businesses.

**Housing & Economic Development** - NDC finances and builds community and public facilities on behalf of our client communities through public-private partnerships and new markets tax credits.
## NY Forward Loan Fund

### WHAT CREDIT LOOKS LIKE

| Small Business & Non-Profit |

| Maximum Loan Amount: (Per Borrower) | $100,000 maximum (max: 3 months average revenue for small businesses; 3 months average expenses for non-profits) |
| Loan Rates | 2% for non-profits; 3% for small businesses |
| Loan Term | 5 years (1 year interest only; P&I payments 13-60) |
| Security / Collateral | Minimum Collateral value not required; UCC blanket filing |
| Personal Guarantee | Yes; every owner of 20% or more |
| Eligible Uses | Working capital |
NY Forward Loan Fund

ELIGIBLE BORROWERS
Small Business & Non-Profit

NDC Priority Borrowers: African-American, Hispanic, or Woman-owned businesses and non-profits, and businesses in economically distressed neighborhoods in NDC Partner Communities

Loan Applicant and any Business Owner with more than 20% ownership must attest that:

- It has not applied to any other CDFI for a program Borrower Loan, or for more than one borrower loan
- The business has experienced direct economic hardship as a result of COVID-19 related social distancing policies in a way that materially impacts their operations
- It has been in business for at least one year as of the date of the Loan application
- Has not received a U.S. Small Business Administration Paycheck Protect Program or Economic Injury Disaster Loan due COVID-19.
- It is not making false claims
NY Forward Loan Fund
ELIGIBLE BORROWERS
Small Business & Non-Profit

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

- 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 waging facilities;
- Trailer-storage yards;
- Marijuana dispensaries
NY Forward Loan Fund

HOW TO APPLY
Small Business & Non-Profit

Priority lending where we have Community Partners
- The Town of Babylon
- Broome County
- The City of Buffalo*
- Nassau County
- Suffolk County
- Ulster County*
- New York City

MWBE’s
- Black/African American entrepreneurs
- Hispanic entrepreneurs
- Women-owned business
- Small businesses & non-profits located in CDFI eligible census tracts
## NY Forward Loan Fund

### HOW TO APPLY

**Small Business & Non-Profit**

### Business Requirements:
- Borrower must have been in business for at least 1 year as of the date of loan application; and
- Project must have had positive cash flow for a 12-month period prior to March 1, 2020.

### Documentation Required from the Loan Applicant:
- Completed Loan Application including SS# and Business ID for credit and reference checks
- 2019 Income and Expense Statement
- Hardship Letter specifying COVID impacts
- Executed Attestation Form
- Tax Returns for the ownership entity
- Evidence of legal formation of ownership entity
- For nonprofits: Articles & Bylaws, most recent 990, board authorization to borrow and sign, and A-133 Audit (if applicable)
- Personal guaranty from each individual w/ > 20% ownership interest
NY Forward Loan Fund

HOW TO APPLY
Small Business & Non-Profit

Apply ONLINE @ NYLoanFund.Com
NY Forward Loan Fund

HOW TO APPLY - SELECT
Small Business & Non-Profit

Congrats, Ann! We’ve matched you with our best lenders.
Please remember: by clicking Connect you are confirming you did NOT receive a PPP or EIDL loan from the U.S. SBA. PPP/EIDL recipients are NOT eligible for a loan from the NYFLF.

What's Next
1. Click “Details” to review the information for your matches.
2. Select the organization you feel best meets your needs and click “Connect”
3. Your provided information will be transferred to the lender and you will hear from them directly.
4. If you have questions about the NYFLF, please review the FAQs on the landing page link or submit individual questions here with the topic “Business Loan Assistance”

Your Loan Request Amount: $45,000

<table>
<thead>
<tr>
<th>Loan Request Amount</th>
<th>APR</th>
<th>Loan Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACCION</td>
<td>2-3%</td>
<td>5 Years</td>
</tr>
<tr>
<td>NDC 50 YEARS</td>
<td>2-3%</td>
<td>5 Years</td>
</tr>
<tr>
<td>Pursuit</td>
<td>2-3%</td>
<td>5 Years</td>
</tr>
</tbody>
</table>
NY Forward Loan Fund

HOW TO APPLY - SELECT
NDC Small Business & Non-Profit

Ann, excellent choice!

Thank you for inquiring about the New York Forward Loan Fund and using Connect2Capital.

Here’s what happens next.

- We’ve notified NDC Small Business Lending on your behalf.
- You will receive an invitation to apply from NDC Small Business Lending when your loan comes up for review.
- Check your email for confirmation of your match. Be sure to check your SPAM folder if you don’t see it.
- If you have questions about the NVFLF - please review the FAQs on the landing page link or submit individual questions here with the topic “Business Loan Assistance”

Your NDC Small Business Lending Representative

NDC Loan Team
NDCLoanTeam@ndconline.org
https://ndconline.org
24 Whitehall St, Suite 710
New York, New York 10004

NDC has been a national leader in providing affordable credit to distressed areas, woman and minority-owned businesses and non-profit organizations for nearly three decades.

“A LENDER WITH A DIFFERENCE. We recognize certain strengths in those businesses and organizations that conventional lending doesn’t typically consider. OUR BORROWERS’ success is our goal!”

Your Match Details

APR: 2-3%
Loan Term: 5 Years
Collateral: Unsecured
Loan Type: Term Loan
Payment Frequency: Monthly
Small Business Lending

HOW TO APPLY
Small Business & Non-Profit

NYLoanFund.com

Invitation from gafinfo@ndconline.org

Dedicated URL

Pre-application
“Matched”
Invited to Apply
Complete Application
Review w/lenders
Electronic Signatures & Funding
ACH for all monthly payments

NEW YORK STATE

NDC 50 YEARS
Quick Analysis: Is Cash Flow > Debt Service?

Cash Flow = Profit After Tax + noncash expenses and adjustments
NY Forward Loan Fund

HOW TO APPLY
Small Business & Non-Profit

EBT:

• Add Backs we will consider:
  • Officer’s Compensation – if other revenues for support
  • Interest – on any debt paid off during the course of last year
  • Rent – if you pay yourself or a related party, and it’s not needed to pay mtg, taxes, etc.
  • Depreciation – if not needed for replacement

• CF available for D/S
  • The NYFLF Debt Service
  • All other existing debt service (P&I)

= $1 or more, and the application moves forward!!
New York Forward Loan Fund for Small Landlords

**Thomas McGrath**, SVP, Director of Upstate Revitalization
*The Community Preservation Corporation*

**Casey Noel**, AVP, Lending and Initiatives
*The Community Preservation Corporation*
| **Interest rate** | **For-profit businesses**: 3% fixed interest  
**Nonprofits**: 2% fixed interest |
|-------------------|-----------------------------------------------|
| **Repayment term** | 60-month term  
• 0-12 months: interest only payments, paid monthly  
• 13-60 months: interest and principal payments with straight line amortization, paid monthly |
| **Prepayment** | Borrower may prepay the loan without penalty at any time. |
| **Loan amount** | *Lesser* of (a) $100,000 or (b) projected reduction in 3 months net operating income based on actual reduction in first impacted month. |
| **Loan proceeds** | Mortgage payments, payroll, operating and emergency maintenance, property taxes, utilities, rent, supplies, etc.  
Refinancing of an existing loan is not permitted  
Loan Applicant will be required to detail anticipated use of funds when they apply |
| **Security** | Personal Guaranty of Repayment |
NY Forward Loan Fund

ELIGIBLE BORROWERS
Small Landlord

Property must have experienced direct economic hardship as a result of COVID-19 due to unemployed or income impacted non-paying tenants.

Building/ Portfolio Size:
- Small property owner with no more than 200 units under ownership
- No single property greater than 50 units
- Properties must be located in an LMI census tract or meet a rent test where the property rents are affordable to tenants at, or below, 80% AMI

Applicants must attest to the following:
- Property had positive cash flow for a 12-month period prior to COVID19
- Property has an active forbearance agreement for its mortgage, proof that the mortgage had been current prior to COVID or not have an active mortgage
- Owner must certify rental income loss with the following proof:
  - Rent Roll(s) showing non-paying tenants
  - Hardship letter stipulating the nature of the job loss for each tenant
- Certify the property is in good physical condition
- Will not evict COVID impacted non-paying tenants
- Property taxes were current through March 2020
# NY Forward Loan Fund

## HOW TO APPLY
Small Landlord

### PRE-APPLICATION & SCREENING

Submit a pre-application at [nyloanfund.com](http://nyloanfund.com)

### APPLICATION

The NYFLF IT portal will connect eligible applicants to CPC or one of CPC’s local CDFI partners.

### ELIGIBILITY

A loan officer will contact applicant to collect required documentation, conduct any credit checks, and finalize the review.

### APPROVAL

CPC will review applications based on NYFLF requirements.
HOW TO APPLY
Small Landlord

Apply ONLINE @ NYLoanFund.Com

New York Forward Loan Fund

Overview  Loan Terms  Business Requirements  Frequently Asked Questions  Pre-Application

For Small Businesses | For Nonprofits  For Landlords

Application Information Requirements – Small Businesses

As part of the formal application, the loan applicant must provide the following documentation:
Question #1 – How much do you want to borrow?

Amount available to each borrower is the lesser of (a) $100,000 or (b) projected reduction in 3-months of rental income based on actual reductions in rental income for the month of April or May 2020.

For example:

• Actual reduction in rental income for April 2020: $20,000
• 3-months of reduction in rental income: $60,000
• Maximum loan size of $60,000
• If the maximum loan size is greater than $100,000, the maximum loan size will be $100,000
NY Forward Loan Fund

PRE-APPLICATION
Small Landlord

How do you plan to use your loan?

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

<table>
<thead>
<tr>
<th>Select Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Capital</td>
</tr>
<tr>
<td>Start a Business</td>
</tr>
<tr>
<td>Acquire a Business</td>
</tr>
<tr>
<td>Purchase Inventory</td>
</tr>
<tr>
<td>Purchase Machinery or Equipment</td>
</tr>
<tr>
<td>Make Building Improvements</td>
</tr>
<tr>
<td>Building Acquisition</td>
</tr>
<tr>
<td>Refinance Existing Debt</td>
</tr>
<tr>
<td>Other</td>
</tr>
</tbody>
</table>

When do you need financing by?

Please let us know the urgency of your request.

- Today
- In the next two weeks
- Within 1-2 months
- I'm researching

CONTINUE
Two important selections:

• **Under “industry,” select “Landlord.”** This will ensure that the request is routed to CPC.
  
  There is a selection for "Real Estate;" this is for other real estate related industries.

• **Time in business must be more than 1 year in order to qualify for the NYFLF.**
NY Forward Loan Fund
PRE-APPLICATION
Small Landlord

What was your total revenue last year?

- Less than $100,000
- $100,000 - $250,000
- $250,000 - $500,000
- $500,000 - $1 million
- $1 million - $5 million
- More than $5 million

Did you earn a profit last year?

- Yes
- No

CONTINUE
Important Selection

On this page, the borrower should identify the number of units they have in the space that says "Number of full-time employees".
Do you have collateral to support the loan?

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

- Commercial Real Estate
- Residential Real Estate
- Inventory
- Accounts Receivable
- Cash
- Investment Accounts
- New Equipment/Machinery
- Furniture & Fixtures
- Vehicles
- Used Equipment/Machinery
- Vacant Land
- Leasehold Improvements
- Other
- None

CONTINUE

How much revenue do you expect to make this year?

Your total expected business income

- Less than $100,000
- $100,000 - $250,000
- $250,000 - $500,000
- $500,000 - $1 million
- $1 million - $5 million
- More than $5 million

CONTINUE
NY Forward Loan Fund

PRE-APPLICATION
Small Landlord

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.

- [ ] Yes
- [ ] No

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

For small businesses and landlords, please answer for any owner with >20% stake in the business. For nonprofits, please answer for your executive team.

- [ ] Yes
- [ ] No

CONTINUE

CONTINUE
Additional Pre-Application Questions:

• Where is your business located? (Must be New York State)
• How should we reach you? (Phone or email)
• What is your personal credit score? (Select Range. Applicants will be subject to a credit check.)
• Did you earn a profit last year? (Yes or No)
• What was your total revenue last year? (Select range. Must not exceed $3 million to qualify)
Successful pre-applicants will be asked to provide the following:

- Completed CPC/NY Forward Loan Application
- Property rent rolls – before and after COVID19 impact
- 2019 Income and Expense Annual Statement
- Hardship letter indicating the impact of COVID 19
- Forbearance Disclosure Statement
- Executed Attestation Form
- Tax returns
- Evidence of legal formation of ownership entity
- Nonprofits: By-laws, most recent 990, board authorization to borrow and sign
- Audit (if applicable)
- Good standing check
Small Landlord
THANK YOU LOCAL NYFLF PARTNERS

Collaborating to deploy capital to property owners across New York State.

CPC
Small Landlord Lender

Greater Rochester Housing Partnership
Community Loan Fund of the Capital Region
New York Community Capital
Home Headquarters
Long Island Housing Partnership
Small Landlord

Q&A

Communityp.com
Thank you

Submit pre-application: nyloanfund.com

NDConline.org

CommunityP.com