

NEW YORK FORWARD LOAN FUND

The New York Forward Loan Fund was created to address the capital needs of New York's small business owners, nonprofits, and small landlords created by the COVID-19 economic crisis. The Governor's Office launched this Fund with The Community Preservation Corporation (CPC) as its Small Landlord CDFI Partner.

NY Forward Loans for Landlords

Building owners experiencing reduced cash flow due to tenants impacted by COVID-19 may apply for NYFLF loans with assistance from CPC and local CDFI partners.

- Under the guidelines of the NYFLF, loans will be made directly by CPC to small landlords statewide.
- The loan fund will be capitalized by banks and credit enhanced by New York State Division of Homes and Community Renewal (HCR).
- Loans are not forgivable in part or whole. The loans will need to be paid back over a five-year term with interest.

Loan Amounts

Maximum loan amounts available through the NYFLF are determined by the *lesser* of (a) \$100,000 or (b) the projected reduction in rental income over six months based on actual reductions in rental income for the month of April or May 2020.

For example, if actual reduction in rental income for April 2020 was \$15,000, then:

- Projected six-month reduction in rental income: $6 \times \$15,000 = \$90,000$
- Maximum loan size: \$90,000

If the projected reduction in six months of rental income is greater than \$100,000, then the maximum loan size will be \$100,000.

Application Process

All prospective applicants must submit a pre-application at www.nyloanfund.com. Successful pre-applicants will be invited to submit a full application.

LOCAL CDFI PARTNERS

As the State of New York's NYFLF Small Landlord Partner, CPC is proud to collaborate with the following organizations:

**Community Loan Fund of the Capital Region • Greater Rochester Housing Partnership
Long Island Housing Partnership • NY Community Capital • NY Home Headquarters**

LOAN TERMS

Interest rate	For-profit businesses: 3% fixed interest Nonprofits: 2% fixed interest
Repayment term	60-month term <ul style="list-style-type: none">• 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 6 months net operating income based on actual reduction in first impacted month.
Use of loan proceeds <i>Applicant will be required to detail anticipated use of funds when they apply</i>	Mortgage payments, payroll, operating and emergency maintenance, property taxes, utilities, rent, supplies, etc. Refinancing of an existing loan is not permitted.
Security	Personal Guaranty of Repayment

ELIGIBILITY

In order to be eligible for the program, the applicant must have experienced direct economic hardship as a result of COVID-19 due to unemployed or income impacted 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 a Community Reinvestment Act (“CRA”) eligible census tract or meet a rent test where the property rents are affordable to tenants at, or below, 80% AMI

Borrowers must attest to the following:

- The property had positive cash flow for a 12-month period prior to COVID-19
- The property has an active forbearance agreement for its mortgage, proof that the mortgage had been current prior to COVID-19 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
- The property is in good physical condition
- Will not evict COVID impacted non-paying tenants, for a period equal to the number of months the NYFLF covers a Borrower’s operating losses.
- Property taxes were current as of February 29, 2020
- That he/she is not making false claims