



**APPLICATION GUIDELINES  
RURAL DEVELOPMENT ADVANCE (“RDA”)  
URBAN DEVELOPMENT ADVANCE (“UDA”)**

***Application deadlines: Applications accepted at all times during the year***

The RDA and UDA provide wholesale loans at our cost of funds to lenders who finance affordable economic development initiatives. The favorable pricing, coupled with the availability of funds in terms of one to 30 years, helps lenders to extend long-term, fixed rate credit for community development.

**OBJECTIVES**

- **RDA** economic development initiatives must benefit projects in rural areas with income targets up to 115 percent of area median income.
- **UDA** economic development initiatives must benefit projects in urban areas with income targets up to 100 percent of area median income.

**A) ELIGIBILITY GUIDELINES**

- RDA/UDA can be used for loans for construction, rehabilitation, purchase, or to refinance existing loans when refinance is necessary to rehabilitate or preserve the housing as affordable.
- RDA/UDA can be used in conjunction with HUD, FHA, state and local governments, and secondary market agency programs.
- RDA/UDA can be used to purchase state housing finance agency bonds or mortgage-backed securities representing pools of loans that could be funded directly with RDA/UDA.
- RDA/UDA can be used to fund customer investment in lender consortia or affordable housing tax credits as long as the underlying mortgages could be funded directly with RDA/UDA.
- RDA/UDA can be used only for loans funded 90 days before or 90 days after the effective date of the advance.
- Economic development projects include commercial, manufacturing, social service, public facility projects and services, private/public infrastructure, and small business.
- Prepayment fees apply to all RDA/UDA.

**RDA/UDA** can be qualified for use based on targeted beneficiaries defined as geographical, individual, and activity.

- A. Geographically defined beneficiaries include projects that qualify for assistance under another federal or state targeted economic development program, approved by the Finance Board, that are located in:
- Neighborhoods where the median income is at or below a targeted income level;
  - A Champion Community, an Empowerment Zone, or Enterprise Community;
  - An area impacted by federal military base closings;
  - A designated community under the Community Adjustment and Investment Program that benefits communities impacted by the North American Free Trade Act (NAFTA);
  - A federally and state declared disaster area;
  - An area eligible for a federal Brownfield Tax Credit;
  - An Indian or Native Hawaiian area; or
- B. Individual beneficiaries means projects where at least 51 percent of salaries created or retained by a project are at or below a targeted income level, or at least 51 percent of the families who benefit from or are provided services from the project are at or below a targeted income level.
- C. Activity beneficiaries are those projects that qualify as small businesses.

***Applications are available from Joseph Gallo at (212) 441-6851 or gallo@fhlbny.com or, visit our website at www.fhlbny.com.***