



0% DEVELOPMENT ADVANCE PROGRAM OVERVIEW

The Federal Home Loan Bank of New York's (FHLBNY) 0% Development Advance (ZDA) Program provides members with subsidized funding in the form of interest-rate credits to assist in originating loans or purchasing loans or investments that meet one of the eligibility criteria under the Business Development Advance, Energy Development Advance, Infrastructure Development Advance, Tribal Development Advance, or the Housing Development Advance. This program is intended to support economic development by incentivizing members to provide below-market-rate loans or invest in qualified initiatives.

Members can apply for interest-rate credits up to \$250,000 for any combination of the five advance types under the ZDA Program by submitting the [ZDA Application Form](#). The overall program total available to the membership is \$10 million in interest-rate credits — provided on a first-come, first-served basis, as advances are issued.*

ZDA Program Benefits

The ZDA Program can afford members with greater flexibility to tailor their fixed-rate or fixed-to-floating-rate lending products or investments in qualified securities to better serve their communities. Members can take advantage of the discounted liquidity through this program to:

- Support communities by providing competitive interest rates to fund initiatives that create affordable homes, help sustain your local economy and foster job opportunities
- Enhance relations with underserved communities and expand your reach
- Develop new and/or strengthen existing customer relationships
- Gain a competitive advantage when bidding and/or buying eligible loans

ZDA Program Attributes and Structure

- Terms¹: 1 to 3 Years
- Advance Type: Fixed-Rate Advances
- Member Cap²: \$250K in Interest-Rate Credits
- Maximum Rate Charged for Qualifying Loans: 6.75% (*Prime rate at the time of program launch*)
- Qualified Activity: Qualified fixed-rate or fixed-to-floating-rate³ loans and qualified investment securities issued or purchased on or after January 1, 2026.

¹ Subject to terms at time of product offering.

² Assessed annually and is subject to change. A member's interest-rate credit cap is calculated using the interest rate of the Advance at the time of booking. Interest-rate credits (subsidies) are credited back to members' accounts monthly, over the life of the Advance.

³ Fixed-to-floating-rate loans qualify, provided the loan remains fixed for the duration of the ZDA advance term and the fixed rate does not exceed the Prime Rate at the time of the ZDA round launch.

*Funding is provided on a first-come, first-served basis until the total allocation is reached or until 5:00 p.m. ET on October 2, 2026, whichever occurs first. Application approvals are not a guarantee of funding; the advance(s) must be drawn. The FHLBNY will update funding availability on our website periodically. Please contact the Member Services Desk for the latest funding availability.

View the next page for the ZDA Program Advance Types and Qualifications

ZDA PROGRAM ADVANCE TYPES & QUALIFICATIONS

Business Development Advance (BDA)



The BDA assists members in originating or purchasing fixed-rate or fixed-to-floating-rate loans to support the funding needs of small businesses, including farms and non-profit customers.

BDA Qualifications

Loans to small businesses qualify:

- If defined as a small business by the Small Business Administration (SBA) using the North American Industry Classification System (NAICS) codes; or
- When using SBA Notes; or
- Provided to a non-profit organization

Energy Development Advance (EDA)



The EDA assists members in originating or purchasing energy efficient-oriented fixed-rate or fixed-to-floating-rate loans or investment securities in support of environmental initiatives.

EDA Qualifications

- Energy Efficiency or Reduction
- Environmental Preservation or Restoration
- PACE loans
- Purchase, Production, or Installation of Alternative Energy Sources (*i.e., Solar, Wind, Nuclear, etc.*)
- Investment securities – Energy/ Green Bonds
- C&I loans for solar panels or farm/agricultural loans
- Sustainable farming/agricultural practices (*i.e., safer equipment for food processing or reducing erosion*)

Infrastructure Development Advance (IDA)



The IDA assists members in originating or purchasing fixed-rate or fixed-to-floating-rate loans or investment securities to support local infrastructure development.

IDA Qualifications

- Loan origination or bonds purchased for economic development projects that benefit individuals, families, or communities
- Projects/bonds created by a municipality or other government entities funded by the member for infrastructure development in an urban or rural area
- Infrastructure or agricultural infrastructure expansion (*i.e., systems and networks of resources that are vital to communities such as public transit, broadband, and utilities*)
- Federal Farm Credit Securities that provide access to clean water supply, reliable energy and internet access

Tribal Development Advance (TDA)



The TDA assists members in originating fixed-rate or fixed-to-floating-rate loans or purchasing assets that support housing and community and economic development on tribal lands.

TDA Qualifications

- HUD-approved Section 184 Home Loan Guarantee Program
- VA-approved Native American Direct Loan
- USDA-approved Section 502 Direct Loan and Native American Land Acquisition Loan Program
- Assets under Fannie Mae's Native American Homeownership Program and under Freddie Mac's Heritage One Program
- Specific tribal land holdings and land designations of tribal lands (*i.e., Trust Lands, Restricted Fee Lands, Fee Lands, Allotted Lands, Federal Indian Reservations, and Indian Country*)

Housing Development Advance (HDA)



The HDA assists members in originating or purchasing fixed-rate or fixed-to-floating-rate loans that support the pre-development or acquisition phases of affordable housing projects.

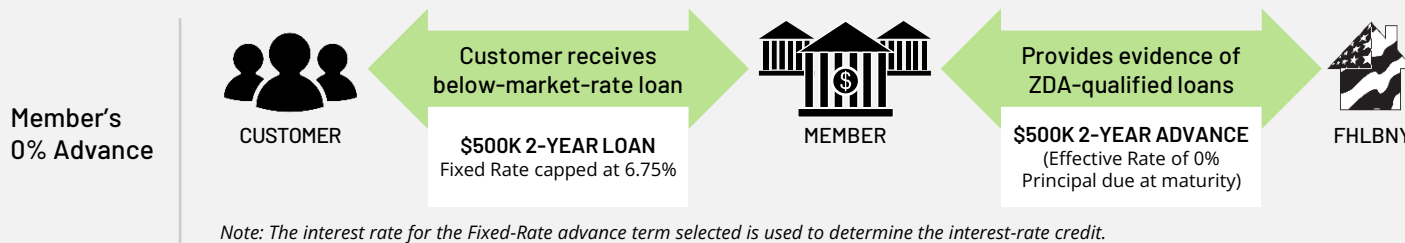
HDA Qualifications

- Loan origination for affordable housing pre-development projects that benefit individuals, families, or communities
- Pre-development activities for affordable housing (*i.e., acquisition of land or buildings, third party fees, demolition and environmental review or abatement, feasibility studies, site surveys, or related activities*)
- Purchasing of bridge loans or pre-development loans issued by a federal, state, or local housing agency, a Community Development Financial Institution (CDFI), or a non-profit organization

View the next page for the program Mechanics and how to apply for the ZDA Program

MECHANICS OF HOW THE ZDA PROGRAM WORKS

Members Can Receive up to \$250K in Interest-Rate Credits



Interest Credits Calculation	2-YEAR ADVANCE RATE EXAMPLE =	4.10% × \$500K =	\$20.5K × 2 YEARS =
	~ 4.10%	\$20.5K	\$41.0K

Interest-Rate Credit Tally / Tracking	Applied to the per member interest-rate credit cap of.....	\$250K
	Total interest generated from the Advance.....	- 41.0K
	Interest-rate credits remaining in current year.....	\$209.0K

Rate used is an example.

Advance Request & Certification

- Submit loan information using the [ZDA Program Application Form \(ZDA-002\)](#).
 - Members must certify the loans align with the program Purpose and have met the Guidelines. Program submissions outside of the program guidelines will be evaluated on a case-by-case basis and require written justification.
- After application approval, members can contact the Member Services Desk to request funding under the ZDA for the approved amount(s), drawing upon your institution's available interest-rate credits.
 - The Advance amount must be equal to or less than the loan(s) and/or investment securities submitted.
 - The Advance tenor must not exceed the maturity of the qualified asset(s) submitted.
 - Funding is provided on a first-come, first-served basis until the total \$10 million allocation is reached or until 5:00 p.m. ET on October 2, 2026, whichever occurs first. Application approvals are not a guarantee of funding; the advance(s) must be drawn.

Please Note:

- To maintain access to FHLBNY's products, programs, and services, members are required to complete and submit their Member Attestation Form by the requested deadline annually. In addition, throughout the year, members must promptly disclose to the FHLBNY any material adverse change events that may impact their financial condition.
- Advances are transacted in the same manner as traditional Advances, in adherence with all credit, collateral, and capital stock requirements, and are subject to lending parameters under the Credit Risk Management Framework.

QUESTIONS? CONTACT: Member Services Desk: (212) 441-6600 | Relationship Managers: (212) 441-6700

The information provided by the Federal Home Loan Bank of New York (FHLBNY) in this communication is set forth for informational purposes only. The information should not be construed as an opinion, recommendation or solicitation regarding the use of any financial strategy and/or the purchase or sale of any financial instrument. All customers are advised to conduct their own independent due diligence before making any financial decisions. Please note that the past performance of any FHLBNY service or product should not be viewed as a guarantee of future results. Also, the information presented here and/or the services or products provided by the FHLBNY may change at any time without notice.

UPDATED: June 2026