



COVID-19 SMALL BUSINESS RECOVERY GRANT PROGRAM

The Federal Home Loan Bank of New York is offering a new program, the **COVID-19 Small Business Recovery Grant (SBRG) Program**, with a total of \$5 million in funding available, to provide flexible funds to benefit FHLBNY members' small-business and non-profit customers. Interested members should review the program guidelines and other materials on the FHLBNY website. The program will be made available to members beginning May 12, 2020 and will remain available until the funds are exhausted or until December 31, 2020, whichever occurs first.

ELIGIBLE FUNDING RECIPIENTS

- » **Total Program Funds:** \$5 million
- » **Eligible Recipients:** Small businesses and non-profit organizations located in New York, New Jersey, Puerto Rico and the U.S. Virgin Islands that have suffered a 25% decrease in revenue because of COVID-19.
- » **Individual Grants:** Up to \$10,000 per recipient. The entire requested grant amount must be passed through to the recipient.
- » **Proof of Eligibility:** Recipients are required to qualify as a small business, based on Small Business Association (SBA) guidelines for annual receipts or number of employees. Non-profits are required to have an annual operating budget of less than \$20 million. Eligibility will be determined by the member and demonstrated by audited financials or tax returns.
- » **Proof of Need:** Recipients are required to demonstrate a 25% decrease in revenue, measured by comparing a period of two consecutive months after March 1, 2020 or later against the same two-month period in 2019. Evidence will be maintained by the member and can include cash-flow statements, point-of-sales reports or other similar documentation.
- » **Eligible uses of Funds Include:** Reasonable and necessary expenses incurred or to be incurred as a direct result of COVID-19, including:
 1. Personnel costs related to COVID-19.
 2. Equipment to comply with public health measures designed to slow the spread of COVID-19.
 3. Working capital, as defined in the Program Guidelines.
 4. Payments on existing or new debt so the organization can support its employees and/or continued operations.

PROCESSES AND OBLIGATIONS

» **Geographic Allocation:**

NY: \$2.5M	NJ: \$1.75M	PR/IUSVI: \$750,000
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» **Member cap:** Individual Member maximum is \$250,000.

» **Reservation and Disbursement:**

1. Member issues a request for a batch of program funds (up to \$100,000). FHLBNY will review requests received on a first-come/first-served basis.
2. Member has 30 calendar days to find, qualify, and certify recipients for an amount not exceeding the approved batch. Member submits a complete funding request to the FHLBNY. Supporting documentation is maintained by the member.
3. The FHLBNY reviews the request and issues grant funds to the member's Overnight Investment Account at the FHLBNY. Any deficiencies must be rectified within 7 business days before funds are disbursed.
4. Member may then request another batch of funds, pending availability.

» **Division of Funds:** Within each state/territory, at least 10% of program funds must be directed to non-profit organizations and/or entities located on tribal land (small businesses or non-profits). A member that uses the full \$250,000 must use at least \$25,000 for these recipients.

» **Misuse of Funds and Recapture:** Members must certify at the time of each funding request that they have complied with the requirements of the FHLBNY COVID-19 Small Business Recovery Grant Program Guidelines. Members are required to retain all program documentation and records, and evidence of misuse or fraud may result in recapture directly from the member.

To discuss the COVID-19 Small Business Recovery Grant (SBRG) Program or other funding strategies, contact a Relationship Manager (212) 441- 6700 or Member Services Desk at (212) 441- 6600.

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