



Federal Home Loan Bank
NEW YORK

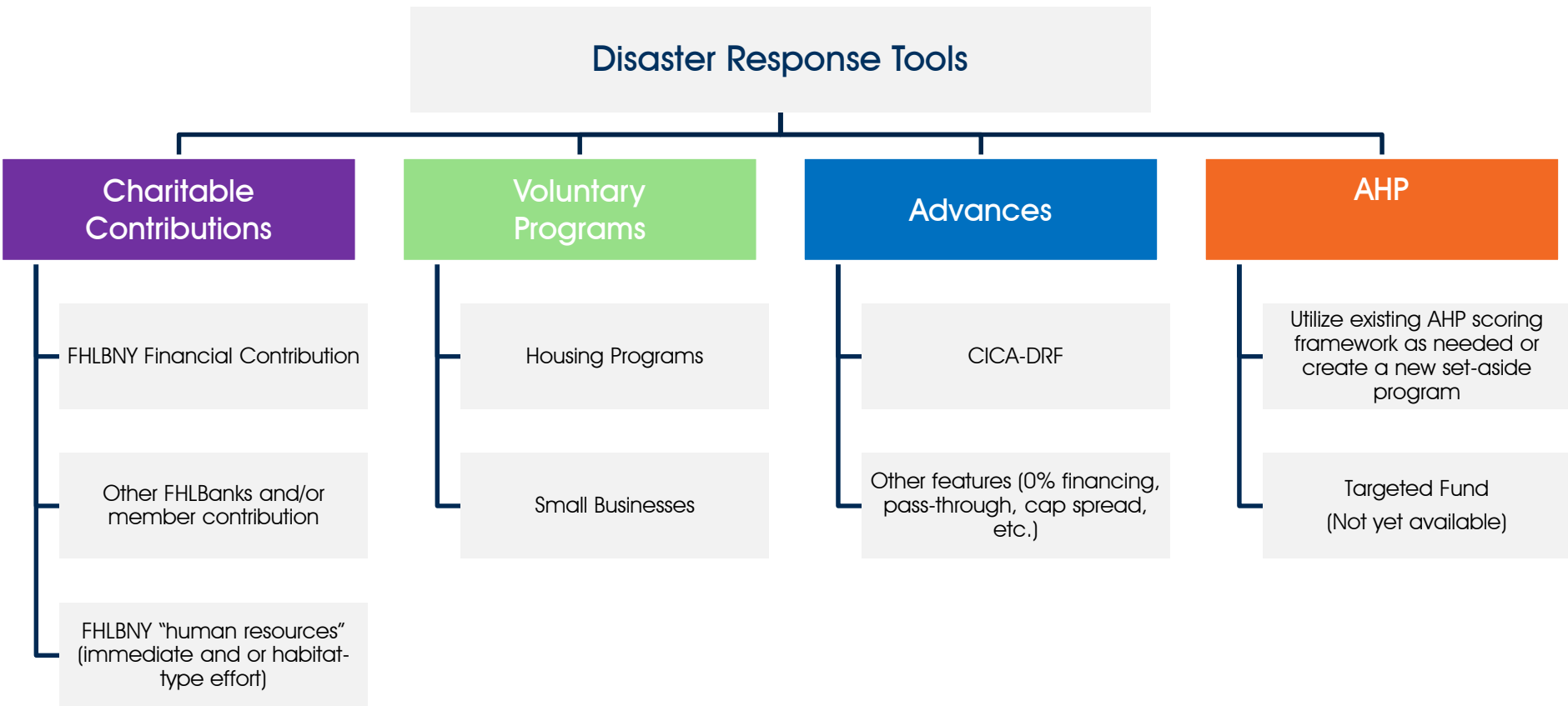
COVID-19 Relief Program Webinar

*A Discussion on the FHLBNY's Response to the COVID-19 Pandemic
Supporting the Membership by Addressing District Challenges*

May 7th 2020



Disaster Response Tools



CHARITABLE CONTRIBUTIONS



Charitable Contributions

- The FHLBNY will provide \$500,000 in charitable contributions to a number of organizations working on the front lines of the pandemic
- Homelessness is one of the primary challenges of the district as the homeless and other vulnerable populations are at higher risk of catching the virus
- The proceeds will help to support homeless and housing shelter facilities in New York City, New Jersey, upstate New York and Long Island



Charitable Contributions

- This includes contributions of \$75,000 each to
 - CAMBA, Inc.,
 - the Housing and Community Development Network of New Jersey,
 - the New York State Rural Housing Coalition and
 - the Community Development Corporation of Long Island

- The FHLBNY will also provide contributions of \$50,000 each to
 - the YWCA of Rochester & Monroe County,
 - the Gateway Family YMCA,
 - the United Way of Puerto Rico and
 - Food Bank For New York City



CICA-DRF



COMMUNITY INVESTMENT CASH ADVANCE

- The Federal Home Loan Bank of New York (FHLBNY) has extended \$1 billion in Disaster Relief Funding (DRF) to cover communities affected by the current COVID-19 pandemic, recent earthquakes in Puerto Rico, and past Hurricanes Irma and Maria in the Caribbean
- Funds are available to members to assist rebuilding and economic recovery efforts across in-district communities located in FEMA designated disaster areas
- The funds are being made available by the FHLBNY through its Community Lending Programs for both immediate gap financing and long-term funding to rebuild communities and support small businesses affected by the disasters



Payment Protection Program (“PPP”) Loans Are Eligible Collateral

- FHLBNY will now accept PPP loans as collateral
 - This collateral will be subject to FHFA’s guidance and FHLBNY’s Credit Review
 - Eligible members can pledge PPP loans subject to limits of the lower of 20 percent of a member’s pledged lendable collateral or \$5 billion in PPP lendable collateral value
- It is our hope that by accepting this collateral, we remove some of the challenges our members may face in this area, and make it easier to keep funding flowing into the communities we all serve



Use of Funds

- **Eligible Member Lending Activity** – Loans originated after the disaster declaration and within 90 days of receiving funding may be submitted as DRF support for advances related to financing of housing or economic development activities in communities located in a FEMA-designated disaster area

- **Housing and Economic Activities**
 - *Purchase, construction, rehabilitation or refinancing of, or predevelopment financing for individual owner-occupied housing units, projects involving multiple units of owner-occupied housing, rental housing, or manufactured housing parks, as defined in the [CICA Regulation](#)*
 - *Economic development activities include commercial, industrial, manufacturing, social service, public or private facility and infrastructure activities, such as roads, utilities, and sewers*
 - *Economic recovery efforts include immediate and long-term small business relief measures. DRF will support members in liquidity needs, shoring up balance sheets, and allowing them to offer continuous credit facilities*



Use of Funds (continued)

- DRF is a first-come, first served program and will be available until the funds are exhausted or until December 31, 2020, whichever occurs first
- DRF advances are initially limited to \$25 million per member per month with an overall program limit of \$50 million
- The minimum advance term is 30 days
- To apply for DRF, members must submit a fully completed DRF Application along with the corresponding loan pool qualification worksheet (*located within the DRF Application*). The DRF Application can be found at www.fhlbny.com/community/community-lending-programs/forms/
- Within the DRF Application, members must provide applicable detail for each submitted loan along with a brief description of how the funds will be used



SMALL BUSINESS RECOVERY GRANT



Small Business Recovery Grant Overview

- The Federal Home Loan Bank of New York is offering a pre-approved program, the **COVID-19 Small Business Recovery Grant (SBRG)**, with a total of **\$5 million** in funding available, to provide flexible funds to benefit FHLBNY Members' small-business and non-profit customers
- The program will be made available to Members beginning May 11, 2020 and will remain available until the funds are exhausted or until December 31, 2020, whichever occurs first

Geographic Allocation:

NY: \$2.5m NJ: \$1.75m PR/IUSVI: \$750,000



Eligibility Requirements

- **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
 - It is currently operating, is supporting its employees while temporarily closed for business, or requires the grant funds to resume operations according to a plan reviewed by the member.



Eligibility Requirements (continued)

➤ 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

➤ Uses of funds include:

- Reasonable and necessary expenses incurred or to be incurred as a direct result of COVID-19, including:
 - Personnel costs related to COVID-19
 - Equipment to comply with public health measures designed to slow the spread of COVID-19
 - Working capital, as defined in the Program Guidelines
 - Payments on existing or new debt so the organization can support its employees and/or continued operations



Reservation of Funds

➤ Reservation and disbursement:

- 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
- 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 and all supporting documentation is maintained by the Member
- 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
- Member may then request another batch of funds, pending availability



Use of Funds

➤ 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.

➤ Certification 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.



BUSINESS DEVELOPMENT ADVANCE



Business Development Advance Overview

- The FHLBNY will also invest \$1 million to provide an interest rate subsidy in the form of a zero percent advance for its Business Development Advance (“BDA”), which the FHLBNY expects to start offering in the fourth quarter of 2020.
- When launched, the BDA can be leveraged into valuable and significant lending opportunities –
 - For example, at current interest rates, this \$1 million subsidy can be leveraged by members into more than \$100 million of one-year loans for small businesses in communities across New Jersey, New York, Puerto Rico and the U.S. Virgin Islands.



Staying Connected to Our Members

- FHLBNY is committed to fulfilling its mission which is *to advance housing opportunity and local community development by supporting members in serving their markets*
- FHLBNY will continue to assess the ongoing and evolving COVID-19 situation provide solution based products
- FHLBNY will embark on an aggressive outreach campaign to keep the membership apprised of our offerings
 - Meeting with members
 - Focus groups
 - Strategic workshops and trainings
 - Podcasts and webinars





Federal Home Loan Bank
NEW YORK

Advancing Housing and Community Growth

Daniel Randall

VP, Community Investment Officer
daniel.randall@fhlbny.com

Tom Settino

VP, Director of Member Relations
(917) 696-2145
thomas.settino@fhlbny.com

Adam Goldstein

Chief Business Officer
(917) 912-2792
goldstein@fhlbny.com

The information provided by the Federal Home Loan Bank of New York (FHLBNY) in this communications 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.