



Federal Home Loan Bank
NEW YORK

Introduction to the New 0% Interest Rate Business Development Advance

November 4, 2021



FHLBNY Mission Overview

Member Participation Positively Influences the Cooperative's Mission



Our Mission

To advance housing opportunity and local community development by maximizing the capacity of community-based member-lenders to serve their markets.

Strong financial performance results in other mission-related grants/subsidies such as SBRG, CLP, DRF and now the BDA*



Access Debt Markets

FHLBNY COOPERATIVE

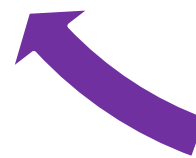


Provide Products and Services for our Member Shareholders

Strong earnings enables the FHLBNY to pay a competitive dividend to our Member Shareholders and grow retained earnings



10% of earnings are devoted to housing related grants – Affordable Housing Program and Homebuyer Dream Program



*SBRG: Small Business Recovery Grant; CLP: Community Lending Program; DRF: Disaster Relief Funding; BDA: Business Development Advance.



The Business Development Advance (BDA)

Overview

- » The Business Development Advance (BDA) is subsidized funding in the form of interest rate credits. These interest rate credits will be used to buy down the interest cost of the BDA to 0%.
- » **The FHLBNY has allocated \$3 million in interest rate credits with a member maximum allocation of \$50,000.** Members must reserve interest rate credits to participate.
- » Member reservation requests under the program will be approved on a first-come, first-served basis so long as funds are available — either until the annual \$3 million allocation is fully utilized or until December 31, 2021, whichever occurs earlier.
- » Members must use BDA proceeds to fund loans to qualified small businesses at advantageous rates (rate no more than 3% or 300 basis points over the cost of the advance).
- » BDA funding will be transacted in the same manner as traditional advances; i.e., adherence with all credit, collateral, and capital stock requirements
- » The program launches on Nov 4. Qualified loans must be submitted, and the BDA funded, by year-end 2021.



The Business Development Advance (BDA)

Benefits

- » Supports communities by helping local businesses with their funding needs at a competitive interest rates
- » Provides members with a competitive advantage when bidding for small business loans
- » Affords opportunities for members to elevate their image when marketing to new customers and creates value for existing customers
- » Ensures a reasonable spread for members' small business lending activities



Business Development Advance Attributes

Advance Attributes	Structure
Program Cap ¹	\$3 million in subsidized funding in the form of interest-rate credits has been allocated to the program
Member Cap ²	Up to \$50,000 in subsidized interest rate credits will be given per member
Minimum Term	1-year minimum term
Maximum Term	5-year maximum term
Eligible Advance Types	Fixed-rate advances

¹Once the program funding is exhausted, additional subsidized funding could potentially be added to the program.

²Individual members' interest rate cap is \$50,000 and calculated using the interest rate of the advance at the time of booking. The interest rate subsidy will be credited back to members' accounts monthly, over the life of the advance.



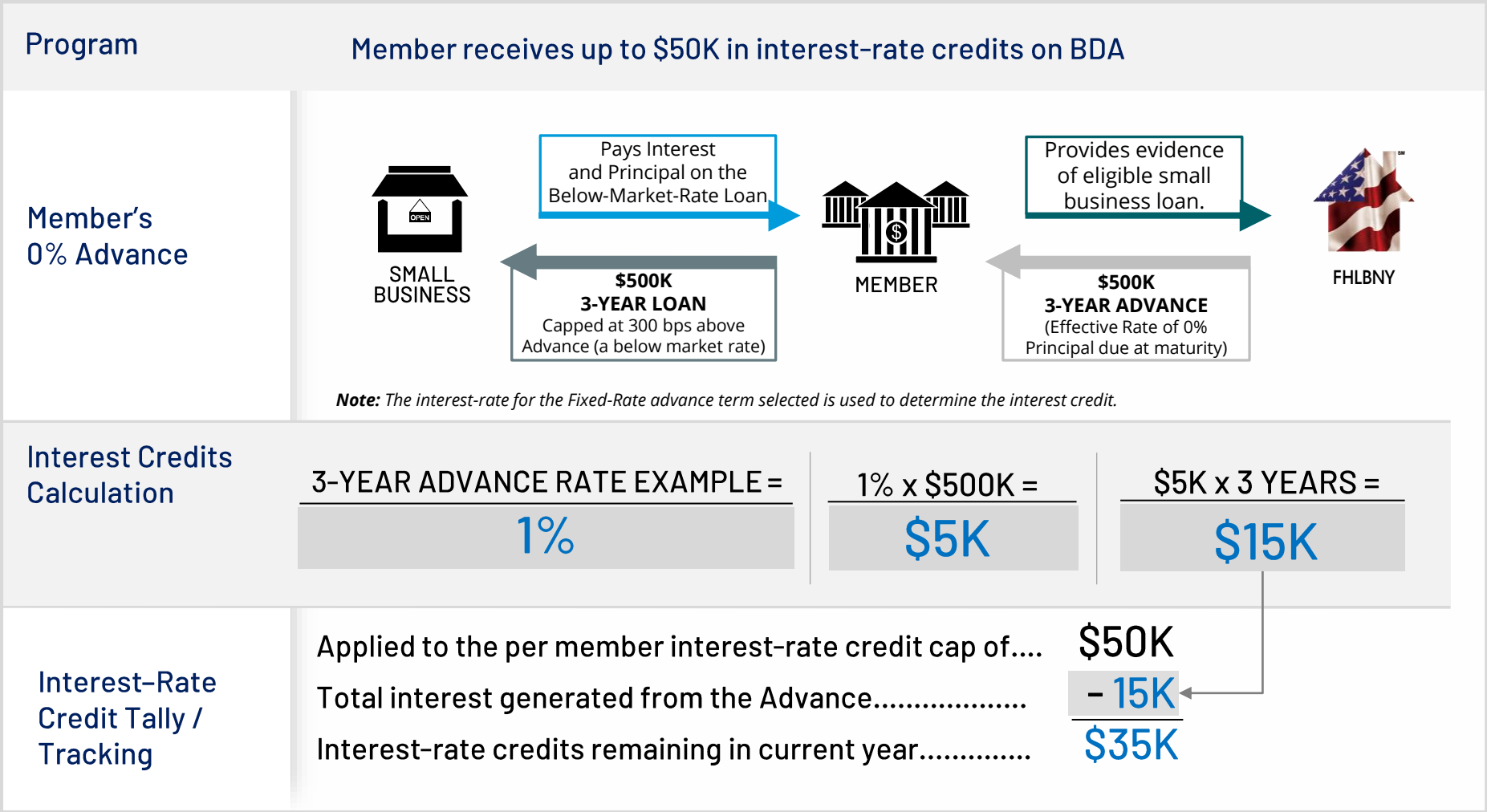
BDA Loan Eligibility

Loan Attributes	Structure
Qualifications	Qualified as a small business, as defined by the Small Business Act, and verified using either the North American Industry Classification System (NAICS) codes or a copy of the SBA note. Note: Loan does not have to be an SBA loan.
Rate Markup	Members may charge a reasonable markup over the 0% advance but cannot exceed 300 bps over the advance.
Qualified Loans	Qualified loans must be submitted, and the BDA must be executed prior to year end 2021.
Loan Submissions ¹	Loans can be submitted individually or pooled together for qualification under the program
Certification	Member must certify loans meet qualification and rate markup criteria

¹The advance amount must be equal to or less than the loan(s) originated. Advance requests in excess of the maximum per member interest-rate credit cap of \$50,000 may be eligible for other discounted funding under the Community Lending Program.



BDA Loan Mechanics



OPERATIONAL OVERVIEW



BDA Life Cycle



Reservation Request

- ✓ Member reserves an allocation of interest rate credits — i.e., \$50k Reservation Request Form is emailed to CLPops@FHLBNY.com



Use the BDA Calculator

- ✓ Member uses BDA Calculator to estimate advance parameters.



Submit Loan in CLP System

- ✓ Member submits information on qualified Small Business loans via the Community Lending Program System.



Review & Approve

- ✓ FHLBNY reviews loan listing for eligibility and issues an approval of the loans. Approval will be issued for up to 90 days, based on the oldest loan in the loan pool.




Obtain BDA Funding

- ✓ Prior to YE 2021, member will call the Member Services Desk to execute the advance.



Reservation Request Form

» Members must reserve interest rate credits to participate in BDA.

11/2021

Business Development Advance ("BDA")Reservation Request Form - ID: BDA 001

This form may be submitted by authorized representatives of the member to reserve interest rate credits in the maximum amount of \$50,000.

Member Name	Member Number

Reservation Request: Enter requested dollar amount

As an authorized representative of the above member of the Federal Home Loan Bank of New York ("FHLBNY") member above, I am submitting this request for a reservation of interest rate credits under the Business Development Advance ("BDA"). I understand that this request will be reviewed on a first-come/first-served basis and the request may be modified or denied depending on availability of funds in the program and at the discretion of the FHLBNY. Furthermore, I understand that submission of this request form and any related documentation does not guarantee or promise a reservation of any interest rate credits.

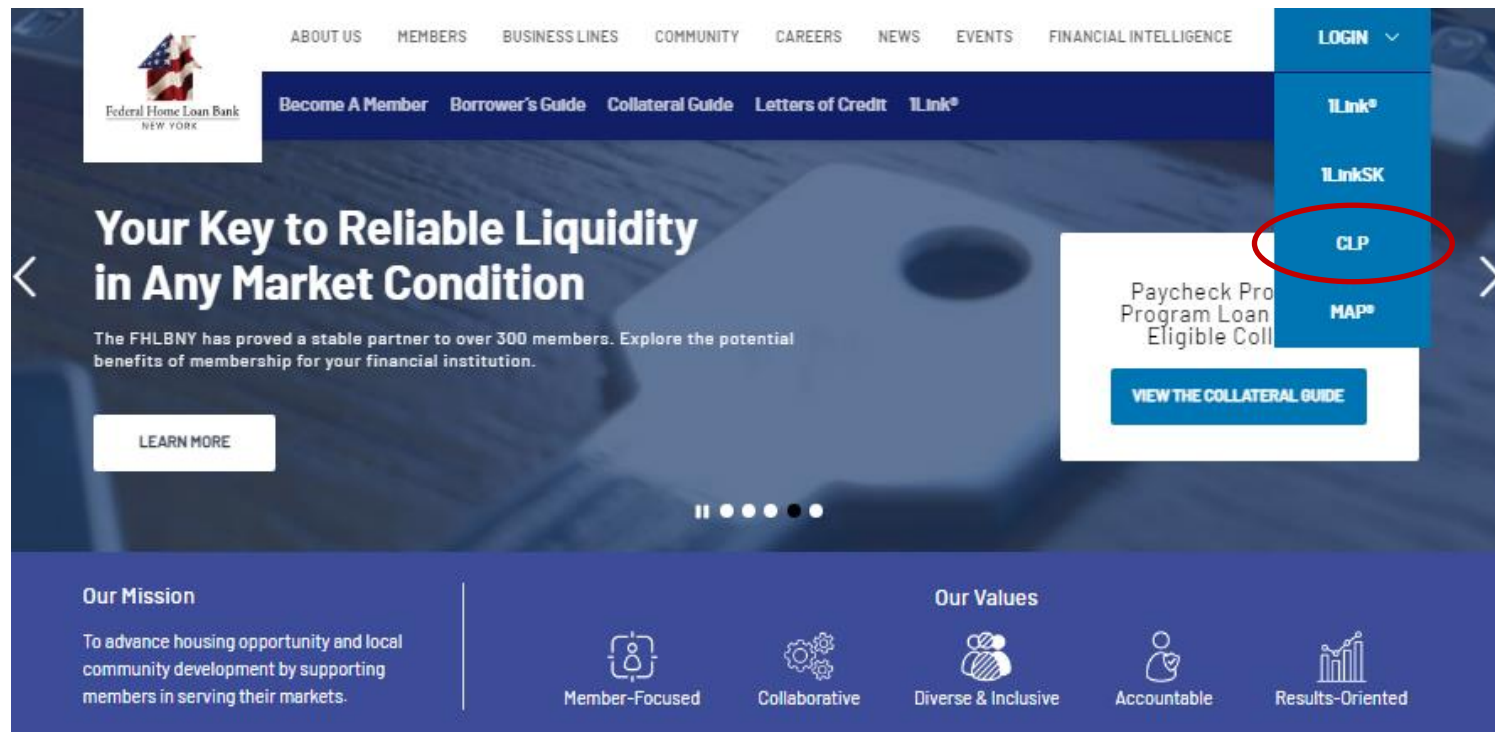
By typing my name below, I agree that I signed this document with an electronic signature. I intend my authorized electronic signature to have the effect of my written signature and the FHLBNY may rely on, and enforce, this document in electronic form.

Authorized Member Representative's Name	Email Address
Authorized Member Representative's Title	Phone Number
Date	

Please submit the completed form to CLPops@fhlbny.com

Community Lending Programs (CLP) System


- » Members must submit qualified BDA program loans via our new Community Lending Programs (CLP) System.
- » The CLP System allows members to easily submit, verify and monitor submissions for the BDA.




The screenshot displays the FHLBNY website's navigation menu. The 'CLP' option is circled in red, indicating its significance. The website features a dark blue header with the FHLBNY logo and a navigation bar with links for 'ABOUT US', 'MEMBERS', 'BUSINESS LINES', 'COMMUNITY', 'CAREERS', 'NEWS', 'EVENTS', and 'FINANCIAL INTELLIGENCE'. A secondary navigation bar includes 'Become A Member', 'Borrower's Guide', 'Collateral Guide', 'Letters of Credit', and 'iLink®'. The main content area has a large heading 'Your Key to Reliable Liquidity in Any Market Condition' and a 'LEARN MORE' button. A sidebar on the right lists 'iLink®', 'iLinkSK', 'CLP', and 'MAP®'. The footer contains 'Our Mission' and 'Our Values' sections with icons for 'Member-Focused', 'Collaborative', 'Diverse & Inclusive', 'Accountable', and 'Results-Oriented'.

CLP System – Dashboard

- » Provides a real-time view of program and member caps and limits via the Member Dashboard
- » Ability to verify and track application submissions and approvals



Community Lending Programs



Jennifer Alberto
Sign Out
Member ID: HLB00181

[Home](#) / [Dashboard](#)

Utilization & Availability Dashboard

Programs	Balance of Qualified Loans	Advance Limits & Utilization			Interest Subsidy Limits & Utilization		
		Annual Limit	YTD Utilization	Remaining Availability ⁽¹⁾	Annual Limit	YTD Utilization	Remaining Availability ⁽²⁾
Community Lending Programs	\$5,000,000.00	\$200,000,000.00	\$128,343,289.00	\$66,656,711.00	N/A	N/A	N/A
Community Investment Program (CIP)+ Urban Development Advance (UDA)+ Rural Development Advance (RDA)	\$5,000,000.00 (CIP)+ \$0.00 (UDA)+ \$0.00 (RDA)		\$128,343,289.00 (CIP)+ \$0.00 (UDA)+ \$0.00 (RDA)				
Business Development Advance (BDA)	\$0.00 ⁽³⁾	N/A	\$0.00	N/A	\$50,000.00	\$0.00	\$50,000.00 BDA Calculator
Disaster Relief Funding (DRF) DRF (Maria & Irma)	\$0.00	N/A	\$0.00	N/A	N/A	N/A	N/A

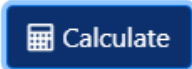




CLP System – BDA Calculator

- » Members can use the BDA calculator to estimate the parameters of the advance.

BDA Calculator

Instructions: Enter **Advance Issue Date**, **Maturity Date** and **Rate** then click 'Calculate'.

Issue Date	Maturity Date	Rate	
11/01/2021 	11/01/2022 	0.42%	

Calculation Results

Interest Subsidy Available	Max Advance Supported by Available Subsidy
\$50,000.00	\$11,904,760.00

Disclaimer: The submitted loan data represents an estimate, and is subject to further FHLBNY review and credit underwriting. It is not a commitment by the FHLBNY to lend.

In Summary

BDA funding is limited, and members are encouraged to act expeditiously to capitalize on this opportunity

- » Submit your Reservation Request Form to obtain an allocation of interest rate credits
- » Qualify your small business customers
- » Ensure that you are enrolled in the CLP System and submit your qualified loans via the CLP System
- » Execute the BDA prior to year-end 2021

For additional information contact your Relationship Manager at 212-441-6700



Q&A





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NEW YORK

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