



THE BUSINESS DEVELOPMENT ADVANCE OVERVIEW

The Federal Home Loan Bank of New York's (FHLBNY) **0% Interest Rate Business Development Advance (BDA)** is subsidized funding in the form of interest rate credits to assist our members in providing loans at advantageous rates to **any qualified small business.* The loan does not have to be an SBA loan.**

A total of \$5 million¹ in interest rate credits are available in 2022. Members can request to reserve interest rate credits up to \$200,000 on a first-come, first-served basis through the BDA Reservation Request Form. Completed forms can be sent to CLPops@fhlbny.com. The submission of qualifying loans and execution of BDA funding must be completed before year-end 2022.

Benefits to Members:

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

**As defined by the Small Business Administration (SBA) using the North American Industry Classification System (NAICS) Codes.*

PROGRAM GUIDELINES:

Advance Attributes	Structure
Program Cap¹	\$5 million in subsidized funding in the form of interest rate credits has been allocated to the Program
Member Cap²	Up to \$200,000 in subsidized interest rate credits per member
Minimum Term	1-year minimum
Maximum Term	3-year maximum
Eligible Advance Types	Fixed-Rate Advances

¹An additional \$1 million in subsidized funding was added to the Program Cap on September 13, 2022.

²Individual member's interest rate credit cap is \$200,000 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.

Reservations under the Program will be approved on a first-come, first-served basis so long as funds are still available within the Program and Member caps. Members can request to reserve funds through the BDA Reservation Request Form.

Advances will be transacted in the same manner as traditional Advances, in adherence with all credit, collateral, and capital stock requirements.

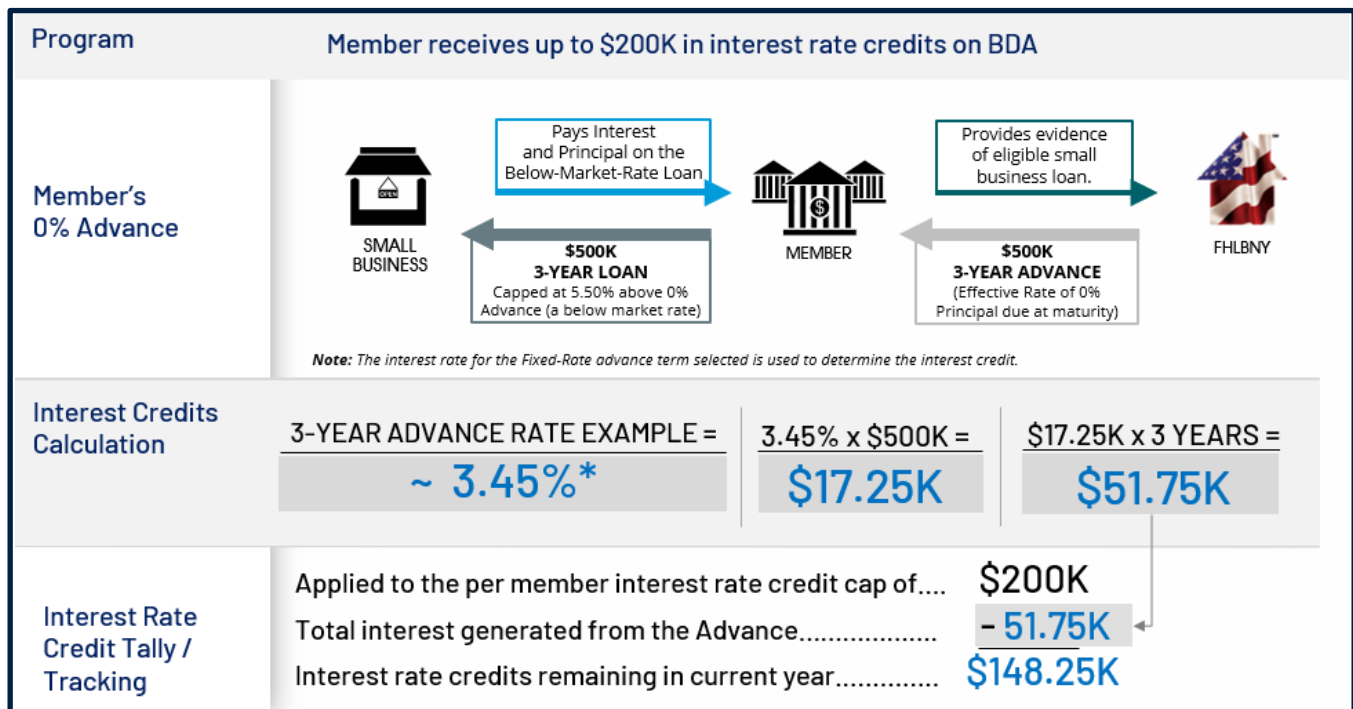
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LOAN SUBMISSION GUIDELINES:

Loan Attributes	Structure
Qualifications	Fixed-rate loans to small businesses qualify for the program: 1) if defined as a small business by the Small Business Administration (SBA) using North American Industry Classification System (NAICS) Codes, or 2) when using an SBA note
Rate Markup	Members may charge a reasonable markup over the zero-percent Advance, but cannot exceed a 5.50% coupon
Qualified Loans	Qualified fixed-rate loans must be submitted, and the Business Development Advance must be executed prior to year-end 2022
Loan Submissions³	Loans can be submitted individually or pooled together for qualification under the Program
Certification	Members must certify that their loan submission(s) meet the program's qualification and rate mark-up criteria

³The 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 \$200,000 may be eligible for other discounted funding under the Community Lending Program.

MECHANICS OF THE BDA:



*Rate used is an example and rounded for ease of illustration - as of 8/3/2022

Questions? Contact a Relationship Manager at (212) 441- 6700 or Member Services Desk at (212) 441- 6600.

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