



Federal Home Loan Bank
NEW YORK

THE 0% INTEREST RATE BUSINESS DEVELOPMENT ADVANCE

August 16, 2022

FHLBNY Mission Overview

Member Participation Positively Influences the Cooperative's Mission

Our Mission:

To advance housing opportunity and local community development by supporting members in serving their markets.

Our Vision:

To be a balanced provider of liquidity to members in all operating environments.

Serving member community lenders since 1932.



The Business Development Advance (BDA)

OVERVIEW

Subsidized funding in the form of interest rate credits to benefit small businesses.

0% INTEREST RATE

Buy down the interest cost of the BDA to 0% – up to \$200,000 in interest credits

\$4M AVAILABLE

The FHLBNY allocated a total of \$4 million in interest rate credits



AVAILABLE
9/6

The Business Development Advance (BDA)

OVERVIEW

FEATURES

- Ability to buy down the interest cost of the BDA to 0% using interest rate credits
- Maximum allocation per member: \$200,000
- Interest rate credits must be reserved to participate
- Available on a first-come, first-served basis — either until the annual \$4 million allocation is met, or until December 31, 2022, whichever occurs earlier
- Proceeds must fund loans to qualified small businesses at advantageous rates (rate no more than 5.50% or 550 basis points over the cost of the 0% advance)
- Transacted in the same manner as traditional advances; i.e., adherence with all credit, collateral, and capital stock requirements

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
- Offers a reasonable spread for members' small business lending activities

The BDA program launches on September 6.

Qualified loans must be submitted, and the BDA funded, by year-end 2022.

Business Development Advance Attributes

Advance Attributes	Structure
Program Cap ¹	\$4 million in subsidized funding in the form of interest rate credits has been allocated to the program
Member Cap ²	Up to \$200,000 in subsidized interest rate credits will be given per member
Minimum Term	1-year minimum
Maximum Term	3-year maximum
Eligible Advance Types	Fixed-rate advances

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

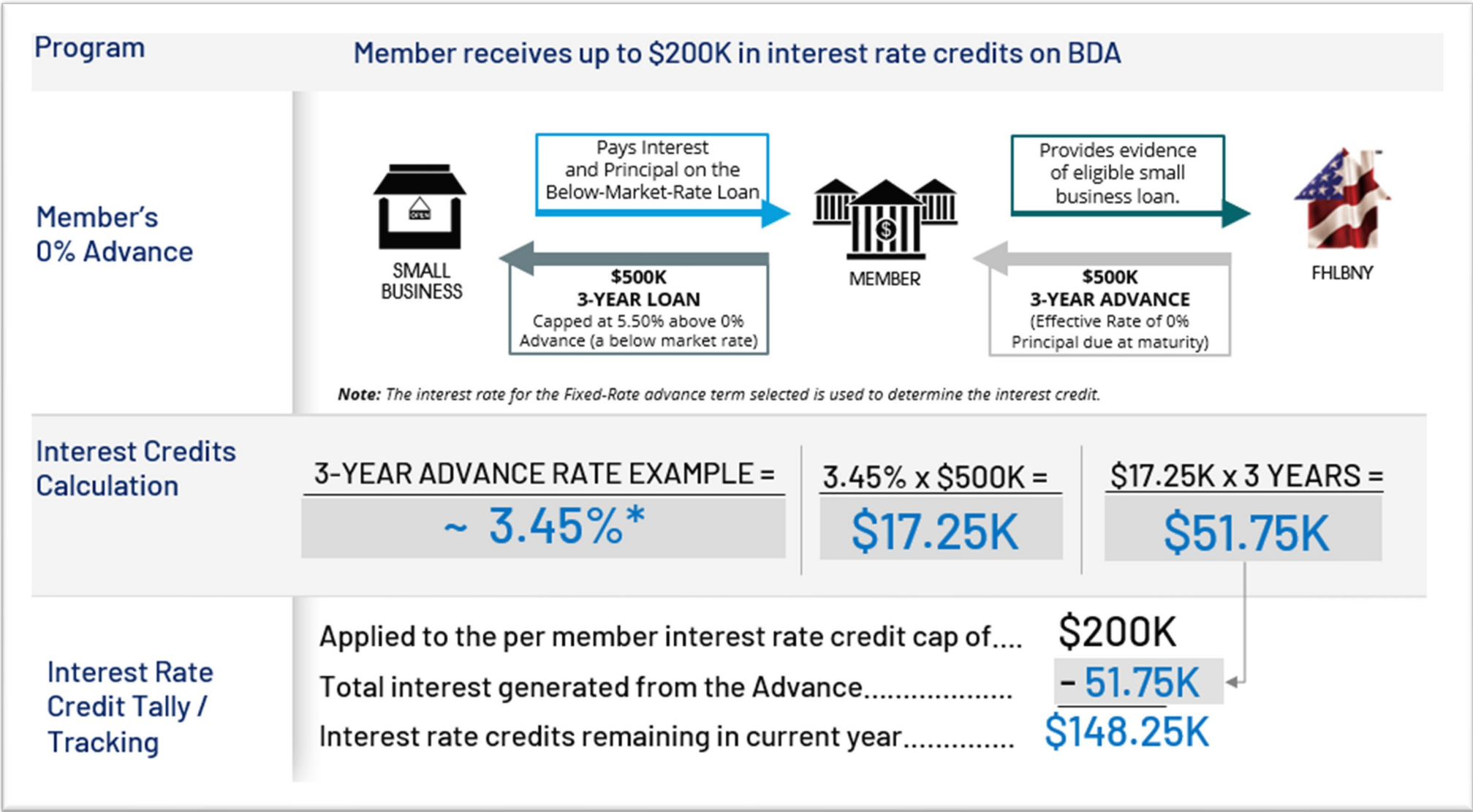
²Individual members' interest rate subsidy cap is \$200,000. The interest rate subsidy will be credited back to members' accounts monthly, over the life of the advance.

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 a 5.50% coupon.
Qualified Loans	Qualified loans must be submitted, and the BDA must be executed prior to year end 2022.
Loan Submissions ¹	Loans can be submitted individually or pooled together for qualification under the program.
Certification	Member must certify that 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 \$200,000 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., \$200k 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 2022, member will call the Member Services Desk to execute the advance.

Completed BDA Reservation Request forms can be submitted on or after 8:30 a.m. ET on September 6, 2022. **Any reservation forms received prior to 8:30 a.m. ET on September 6, 2022 will be ineligible and will have to be resubmitted.*

Reservation Request Form

Members must reserve interest rate credits to participate in BDA.

7/2022

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

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This form may be submitted by authorized representatives of the member to reserve interest rate credits in the maximum amount of \$200,000.

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"), 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.

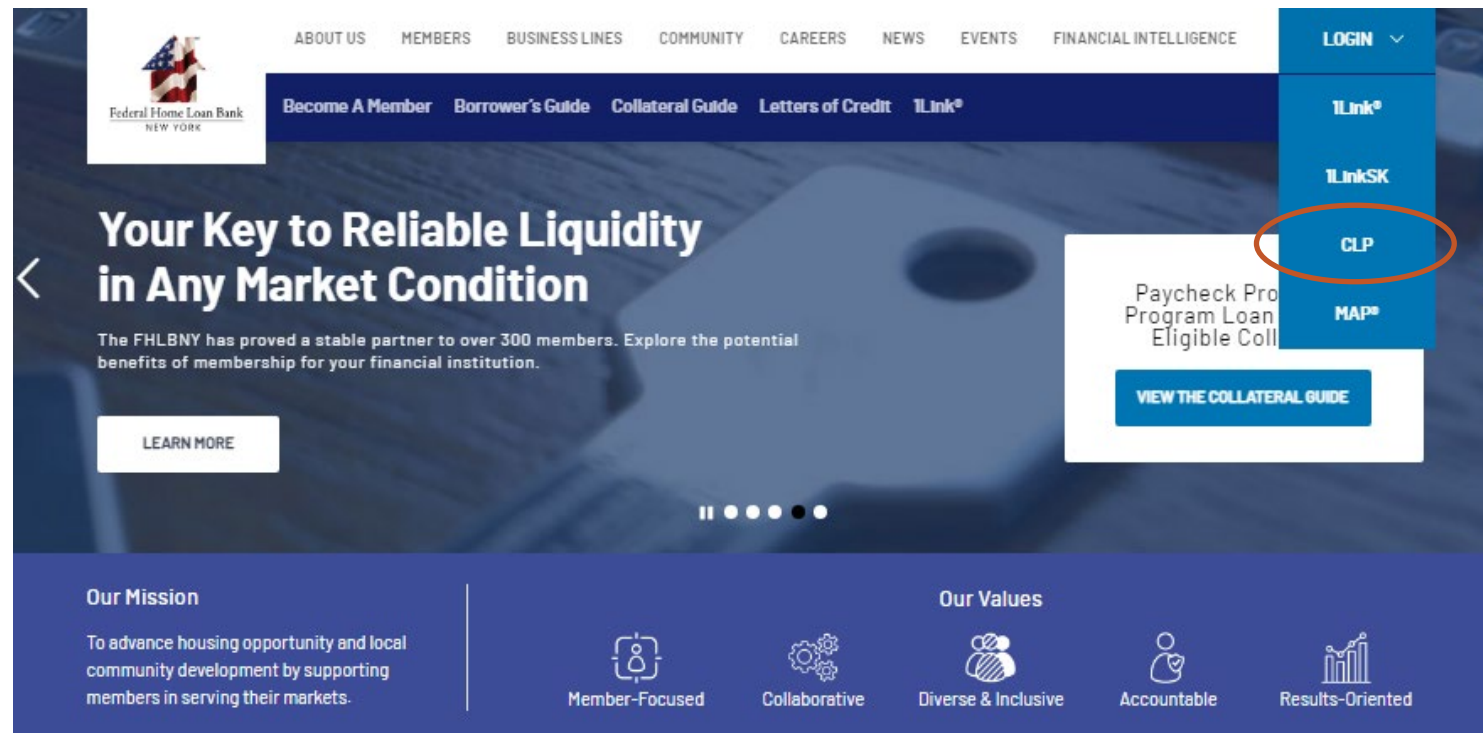
By typing my name below, I agree that I signed this document with an electronic signature. I intend my authorized electronic signature to have the effect of my written signature and the FHLBNY may rely on, and enforce, this document in electronic form.

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 Community Lending Programs (CLP) System.
- The CLP System allows members to easily submit, verify and monitor submissions for the BDA.




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



Jane Doe
Sign Out
Member ID: XXXXXXXXXX

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

Utilization & Availability Dashboard

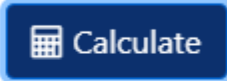


Programs	Balance of Qualified Loans	Advance Limits & Utilization			Interest Subsidy Limits & Utilization		
		Annual Limit	YTD Utilization	Remaining Availability ⁽¹⁾	Annual Limit	YTD Utilization	Remaining Availability ⁽²⁾
Community Lending Programs	\$5,000,000.00	\$200,000,000.00	\$128,343,289.00	\$66,656,711.00	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	\$200,000.00	\$0.00	\$200,000.00 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	
<input type="text" value="08/16/2022"/> 	<input type="text" value="08/16/2023"/> 	<input type="text" value="3.52%"/>	

Calculation Results

Interest Subsidy Available	Max Advance Supported by Available Subsidy
<input type="text" value="\$200,000.00"/>	<input type="text" value="\$5,681,817.00"/>

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 on or after 8:30 a.m. ET on September 6, 2022, 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 2022

For additional information contact your Relationship Manager at 212-441-6700 or a Member Services Desk Representative at 1-800-546-5101, option 1



Q&A



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NEW YORK

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