

# COMMUNITY LENDING PROGRAMS GUIDELINES

Members take advantage of our Community Lending Programs (CLP) to gain access to a reliable source of funding for projects that create housing, improve business districts, and strengthen neighborhoods. The CLP suite includes the Community Investment Program (CIP), Urban Development Advance (UDA), Rural Development Advance (RDA), Disaster Relief Funding (DRF) and Business Development Advance (BDA).

ELIGIBLE ACTIVITY	MEMBER LIMITS**	ADVANCE TERMS***
<ul style="list-style-type: none"> <li>All loans within the loan pool must have closed within 90 days of receiving an advance from the FHLBNY</li> <li>Commitments/Approvals issued for up to 90 days, based on the oldest loan in the loan pool (e.g., 90 days – oldest loan in the loan pool)*</li> </ul>	<ul style="list-style-type: none"> <li>Maximum Borrowing Capacity: Lesser of 3% of asset size or \$100 million</li> <li>Minimum Borrowing Capacity: \$25 million</li> <li>Quarterly limit: \$100 million</li> <li>Members may request an exception to the maximum up to \$200 million per member. Exception requests will be considered on a case-by-case basis.</li> </ul>	<ul style="list-style-type: none"> <li>Minimum term for CLP advances is 1 year</li> <li>Maximum term for CLP advances is 5 years</li> <li>All FHLBNY credit, collateral and capital stock requirements apply.</li> </ul>

To apply for CLP, members must submit a fully completed CLP application via the CLP System. MS Excel based applications received via email will no longer be accepted.

- The average turn time to review and process submitted applications is 3 – 5 business days.
- The MS Excel based CLP Application is available for use only with the upload function within the CLP System.

*\*Commitments will be issued under CIP, UDA, RDA and DRF programs. An approval of the loan(s) will be issued under BDA.*

*\*\*Applicable to CIP, UDA and RDA programs. Member limits applicable to DRF and BDA are located in the relevant sections.*

*\*\*\*Applicable to CIP, UDA, and RDA. Advance terms applicable to DRF and BDA are located under the Disaster Relief Fund section and Business Development Advance section, respectively.*

## COMMUNITY INVESTMENT PROGRAM (CIP)

The Community Investment Program (CIP) may be used to finance the purchase, construction, rehabilitation, refinancing and/or pre-development of housing for:

- Individual owner-occupied housing units, each of which is purchased or owned by an individual or family with an annual income at or below 115% of the area median income;
- Projects involving multiple units of owner- occupied housing in which at least 51% of the units are owned or intended to be purchased by families with annual incomes at or below 115% of the area median income;
- Rental housing where at least 51% of the units in the project are occupied by, or the rent is affordable to, families with annual incomes at or below 115% of the area median income;
- Manufactured housing parks where at least 51% of the units are occupied by, or the rents are affordable to, families with annual incomes at or below 115% of the area median or located in a neighborhood with a median income at or below 115% of the area median income.

Examples of eligible projects include: Single-family housing, Multi-family housing and Special-needs housing.

*View the next page about the Urban / Rural Development Advance Programs*

## URBAN / RURAL DEVELOPMENT ADVANCE

The Urban Development Advance (UDA) / Rural Development Advance (RDA) provides financing for commercial, economic development and/or mixed-use projects that benefit individuals or families with incomes at or below 100% of the Area Median Income (AMI) in urban areas under the UDA program or at or below 115% AMI in rural areas under the RDA program.

- An urban area is defined as a unit of general local government with a population of more than 25,000.
- A rural area is defined as a unit of general local government with a population of 25,000 or less.

UDA/RDA may be used to finance commercial, economic development, or mixed-use projects that meet any of the geographic, individual, or small business criteria listed below.

GEOGRAPHIC CRITERIA	INDIVIDUAL CRITERIA	SMALL BUSINESS CRITERIA
<ul style="list-style-type: none"> <li>• Located in a neighborhood with a median income at or below 100% AMI in urban areas (UDA), or at or below 115% AMI in rural areas (RDA);</li> <li>• Located in an urban Champion Community, or an urban Empowerment Zone, or an urban Enterprise Community, as designated by the Secretary of HUD;</li> <li>• Eligible for a federal Brownfield Tax Credit;</li> <li>• Located in an Indian area, as defined by the Native American Housing Assistance and Self Determination Act of 1996;</li> <li>• Located in an area affected by a federal military base closing or realignment; and/or</li> <li>• Located in an area identified as a designated community under the Community Adjustment and Investment Program.</li> </ul>	<ul style="list-style-type: none"> <li>• The annual salaries for at least 51% of the permanent full- and part-time jobs, computed on a full-time equivalent basis, created or retained by the project, other than construction jobs, are at or below 100% AMI in urban areas (UDA), or at or below 115% AMI in rural areas (RDA);</li> <li>• At least 51% of the families who otherwise benefit from (other than through employment) or are provided services by the project have incomes at or below 100% AMI in urban areas (UDA), or at or below 115% AMI in rural areas (RDA).</li> </ul>	<ul style="list-style-type: none"> <li>• Projects that qualify as small businesses as defined by section 3(a) of the Small Business Act and implemented by the Small Business Administration (SBA) under 13 CFR Part 121.</li> <li>• Projects may qualify based on SBA's size standards or if a project received an SBA Loan (Note: If a loan is qualified based on SBA Loan, a copy of the supporting loan documentation will be required at application).</li> </ul>

Examples of qualified projects include:

- Mixed-Use Properties
- Small business loans
- Daycare centers
- Manufacturing facilities
- Retail stores
- Mixed-use buildings
- Healthcare facilities
- Warehouse facilities
- Grocery stores
- Equipment purchases for commercial expansion
- Community services, such as fire stations and trucks
- Acquisition, construction, refinancing or rehabilitation
- Construction or rehabilitation of public or private infrastructure, such as roads, utilities, and sewers

# DISASTER RELIEF FUND

In an effort to support the communities we serve, the Federal Home Loan Bank of New York (FHLBNY) has extended \$1 billion in Disaster Relief Funding (DRF) to cover communities affected by the recent earthquakes in Puerto Rico, past Hurricanes Irma and Maria in the Caribbean and Hurricane Ida. Natural disasters have destroyed physical infrastructure and, in these cases, the FHLBNY is here to support our members and aid in relief efforts. 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 CLP for both immediate gap financing and long-term funding to rebuild communities and support small businesses affected by the disasters.

## ELIGIBLE ACTIVITY

- Eligible member lending activity 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 support activities include the 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.
- Eligibility for housing projects is based on existing [CIP eligibility criteria](#).
- Commercial and/or Mixed-Use eligibility is based on location criteria (FEMA-designated disaster area).

## MEMBER LIMITS

- A member's Maximum Borrowing Capacity is
- \$50 million per member annually.
- A member can obtain a commitment for both DRF and non-DRF CLP in the same time period.

## ADVANCE TERMS

- The minimum advance term is 30 days.
- All FHLBNY credit, collateral and capital stock requirements apply.

To apply for DRF, members must submit a fully completed application via the CLP System. MS Excel-based applications received via email will no longer be accepted.

- The average turn time to review and process submitted applications is 3 – 5 business days.
- The MS Excel-based CLP Application is available for use only with the upload function within the CLP System.

DRF will be available until the funds are exhausted or until December 31, 2023, whichever occurs first.

# BUSINESS DEVELOPMENT ADVANCE

The Business Development Advance (BDA) is subsidized funding in the form of interest rate credits to assist our members in providing fixed-rate loans at advantageous rates to any qualified small business.\* BDA funds have an annual allocation, and program terms change periodically.

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 defined rate
Qualified Loans	Qualified fixed-rate loans must be submitted, and the Business Development Advance must be executed prior to end of submission year
Loan Submissions <sup>1</sup>	Loans can be submitted individually or pooled together for qualification under the BDA program
Certification	Members must certify that their loan submission(s) meet the BDA program's qualification and rate mark-up criteria

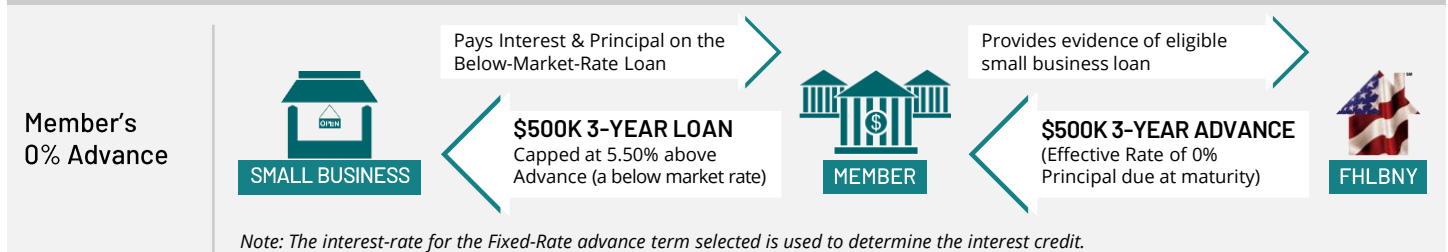
\*As defined by the Small Business Administration (SBA) using the North American Industry Classification System (NAICS) Codes.

Note: The loan does not have to be an SBA loan. Members lending to their subsidiaries are eligible.

<sup>1</sup>The Advance amount must be equal to or less than the loan(s) originated.

## MECHANICS OF THE BDA:

### Members receive up to \$200K in interest-rate credits on BDA



Interest Credits Calculation	3-YEAR ADVANCE RATE EXAMPLE =	$3.45\% \times \$500K =$	$\$17.25K \times 3 \text{ YEARS} =$
	<b>~ 3.45%</b>	<b>\$17.25K</b>	<b>\$51.75K</b>
Interest-Rate Credit Tally / Tracking	Applied to the per member interest-rate credit cap of.....	<b>\$200K</b>	
	Total interest generated from the Advance.....	<b>- 51.75K</b>	
	Interest-rate credits remaining in current year.....	<b>\$148.25K</b>	

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

## CONTACT US TO DISCUSS THE CLP ADVANCE SUITE:

Member Services Desk: (212) 441-6600 | Relationship Managers: (212) 441-6700

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