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New York Forward Loan Fund 2

On July 20, 2023, the New York Forward Loan Fund 2 program was announced for qualifying small businesses and nonprofits. The loan program expands the qualification criteria for small businesses hoping for a greater reach and impact across New York State. The original fund program processed over 1,700 loans and distributed \$97 million in pandemic relief to small business across the state. Following the success of the first round, this new program was designed to be a resource to small businesses in support of economic recovery, revitalization, and ultimate strengthening after the Covid-19 pandemic, aiming to disburse \$150 million over the course of the life of the program, which is currently in place for the next eight years.

In addition to financial support, the program offers technical support and guidance to businesses via New York's network of Entrepreneurship Assistance Centers (EAC). EACs are available to provide free support before, during, and after the loan application process. EACs provide instruction, training, technical assistance and support services to small business owners and entrepreneurs in local communities statewide.

Qualified Businesses

Qualified recipients can apply for loans up to \$150,000 with fixed-rate interest rates. Business must meet the following criteria:

- Existing operations in New York State
- Been in business for at least one year prior to application.
- 100 or fewer full-time employees
- Less than \$5 million in gross annual revenue
- Demonstrated ability to repay loan through previous and projected cash flow.

Entities containing passive real estate investments or the purchase of securities are not eligible for a loan.

Loan Terms

Designed to offer financial support to businesses, the loan terms are as follows:

Loan Amount - Up to \$150,000

Interest Rates - Fixed interest rate for the life of the loan is based on the WSJ Prime rate, plus an additional 1% for 36-month terms, 2% for 48-month terms, 3% for 60-month terms and 4% for 72-month terms. As of July 27, 2023, the WSJ Prime rate is 8.5%.

Repayment Terms - Between 36 and 72 months

Prepayment Penalties - None

Origination Fees - None

Collateral - No specific collateral is required but the lender will take lien against business assets.

Personal Guarantee - Required for each owner of 20% or more. None for nonprofits.

Forgivable - No, this program does not offer grants or forgivable loans.

Eligible Expense Disbursements

With more lenient guidelines as compared to previous pandemic-related government support, qualifying expenditures from loan proceeds can consist of the following:

- Start-up costs
- Working capital
- Equipment
- Inventory
- Payroll
- Rent & utilities
- Supplies
- Marketing and advertising
- Building renovations
- Other expenses

Applying For a Loan

After determining that all qualifications are met, the pre-application should be completed by the owner of the business with the largest ownership interest or in the instance of a nonprofit organization, the executive director or equivalent senior officer of the nonprofit. Once the pre-application questionnaire is complete, businesses will be matched with a lender, where additional documents will be requested. Once eligibility is determined by the lender, full loan terms will be decided. The following is a list of documentation to be provided to the lender at time of application:

- Most recently filed tax returns, if available; if not available, internally generated financial statements or other documentation used to determine cash flows
- Schedule of ownership (name, address, Social Security Number or Tax Identification Number, phone number, email, percentage ownership for any owners with more than 20% ownership)
- Personal guarantee from each owner of at least 20% of the small business borrower
- Executed Borrower Attestation Form and SEDI-Owned Business Certification (to be provided by lender)
- Evidence of legal formation of business entity (Articles of Incorporations and/or Bylaws)
- Personal credit report (if applicable)
- Other documentation required by the community lender at or after the time of application.

Click Here to [PRE-APPLY](#)

For more information regarding New York State's New York Forward Loan Fund 2, please visit <https://nyloanfund.com>.

If further guidance is released, we will continue to update our clients on all the necessary details.