

## New York Forward Loan Fund Aimed at Small Entities with 20 or Fewer Full-Time Employees

By Ronald F. DeSoiza, CPA, ABV

New York State recently announced an economic recovery loan program for small businesses, not-for-profit (NFP) organizations, and small landlords (50 units or less) that have seen a loss of rental income. It is called the [New York Forward Loan Fund \(NYFLF\)](#) and the intent is to provide working capital loans for companies and other entities with 20 or fewer full-time equivalent (FTE) employees.

The loans are available only to those entities that did not receive a loan through either the U.S. Small Business Administration (SBA) Paycheck Protection Program (PPP) or the SBA Economic Injury Disaster Loans (EIDL) for COVID-19 in 2020. Loan terms in a nutshell follow.

### Loan Amount:

**Small businesses and NFPs** – the lesser of \$100,000 or up to 100% of average monthly revenues in any 3-month period from 2019 or first quarter of 2020.

**Small landlords** – the lesser of \$100,000 or the projected reduction in 3-months' net operating income based on actual reductions in net operating income for the month of April or May 2020.

### Fixed Annual Interest Rate:

**Small businesses and landlords** – 3%.

**NFPs** – 2%.

**Term:** 5 years (60 months).

### Repayment:

**For months 1 – 12:** Interest only payments, paid monthly.

**For months 13 – 60:** Interest and principal payments, paid monthly.

### Proceeds:

1. Required to be used for working capital, inventory, marketing, refitting for new social distancing guidelines, operating and emergency maintenance, property taxes, utilities, rent, supplies, etc.
2. Refinancing of existing loan not permitted.
3. Loan applicants required to detail anticipated use of funds when they apply.

**Borrower Fees:** No application fees. Late fee will be assessed for missed payments.

**Recourse:** No collateral is required.

**Prepayment:** Borrower may prepay the loan without penalty.

Pre-applications for the NYFLF are open starting May 26, 2020. Priority will be given to industries and regions that have been re-opened; however, this is not a first-come, first served loan program. Applications will be reviewed on a rolling basis as regions and industries re-open. Prospective borrowers are encouraged by NYS to prepare their pre-applications in advance which will allow them to quickly submit their pre-application once it is announced that its industry and region are phased to re-open. Preparation resources, including FAQs, are available [here](#).

## Contact Us

If we can be of assistance to you with respect to this program, please contact your client services team or Ronald F. DeSoiza, CPA, ABV, Partner at [rdesoiza@pkfod.com](mailto:rdesoiza@pkfod.com).

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