

## 0% DEVELOPMENT ADVANCE PROGRAM OVERVIEW

Our 0% Development Advance (ZDA) Program provides members with subsidized funding in the form of interest rate credits to assist in originating loans or purchasing loans/investments that meet one of the eligibility criteria under the Business Development Advance, Climate Development Advance, Infrastructure Development Advance, or Tribal Development Advance. This program is intended to support economic development by incentivizing members to provide below-market-rate loans or invest in qualified initiatives.

Members can apply for interest rate credits up to \$250,000 for any combination of the four advance types under the ZDA Program by submitting the ZDA Application Form. The overall program total available to the membership is \$10 million in interest rate credits — provided on a first-come, first-served basis, as advances are issued.\*

### Business Development Advance (BDA)



The BDA assists members in originating or purchasing fixed-rate loans to support the funding needs of small businesses, including farms and non-profit customers.

### Climate Development Advance (CDA)



The CDA assists members in originating or purchasing climate or energy efficient-oriented loans/ investments in support of environmental initiatives (e.g., loans for solar panels, farm and agricultural loans, or the purchase of green bonds or related ESG securities).

### Infrastructure Development Advance (IDA)



The IDA assists members in originating or purchasing loans and investment securities to support local infrastructure development (e.g., construction or C&I loans, Bond Anticipation Notes or Securities that give rural communities access to clean water supply, reliable energy and vital internet access).

### Tribal Development Advance (TDA)



The TDA assists members in originating loans or purchasing assets that support housing and community and economic development on tribal lands.

### ZDA Program Benefits

The ZDA Program can afford members with greater flexibility to tailor their lending products to better serve their communities. Members can take advantage of the discounted liquidity through this Program to:

- Support communities by providing competitive interest rates to fund initiatives that help sustain your local economy and foster job opportunities
- Enhance relations with underserved communities and expand your reach
- Develop new and/or strengthen existing customer relationships
- Gain a competitive advantage when bidding and/or buying eligible loans

### ZDA Program Attributes and Structure

- Terms<sup>1</sup>: 1 to 3 Years
- Advance Type: Fixed-Rate Advances
- Member Cap<sup>2</sup>: \$250K in Interest Rate Credits

<sup>1</sup> Subject to terms at time of product offering. The maturity date of the zero percent advance(s) shall not exceed the remaining term of the qualified loans/investments. Advances are transacted in the same manner as traditional Advances, in adherence with all credit, collateral, and capital stock requirements, and are subject to lending parameters under the new Credit Risk Management Framework.

<sup>2</sup> Assessed annually and is subject to change. A member's interest rate credit cap is calculated using the interest rate of the Advance at the time of booking. Interest rate credits (subsidies) are credited back to members' accounts monthly, over the life of the Advance.

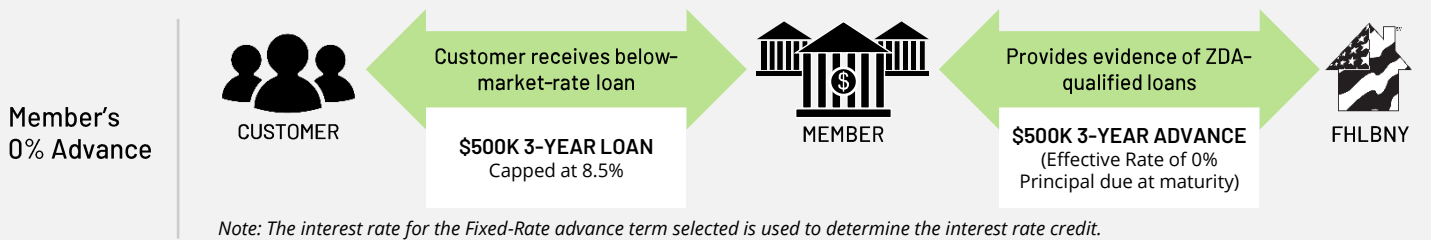
\*The FHLBNY will update funding availability on our website periodically. Please contact the Member Services Desk for the latest funding availability.

# LOAN QUALIFICATIONS, GUIDELINES & MECHANICS

## Loan Qualifications & Guidelines

<b>Advance Eligibility Criteria</b>	<u><b>BDA</b></u> Fixed-rate loans to small businesses qualify: <ul style="list-style-type: none"> <li>If defined as a small business by the Small Business Administration (SBA) using the North American Industry Classification System (NAICS) codes; or</li> <li>When using SBA Notes; or</li> <li>Provided to a non-profit organization</li> </ul>	<u><b>CDA</b></u> <ul style="list-style-type: none"> <li>EPA-qualified loans under the State Revolving Fund</li> <li>USDA Commodity Credit Corporation requirements</li> <li>PACE loans</li> <li>Tree and coral restoration</li> <li>Investment securities - ESG/Green Bonds</li> <li>C&amp;I loans for solar panels or farm/ agricultural loans</li> <li>Sustainable farming/ agricultural practices (i.e., safer equipment for food processing or reducing erosion)</li> </ul>	<u><b>IDA</b></u> <ul style="list-style-type: none"> <li>Loan origination or bonds purchased for economic development projects that benefit individuals, families, or communities</li> <li>Projects/bonds created by a municipality or other government entities funded by the member for infrastructure development in an urban or rural area</li> <li>Agricultural infrastructure (i.e., systems and networks of resources that are vital to produce, procure, preserve, process, and trade agricultural products)</li> <li>Federal Farm Credit Securities that provide access to clean water supply, reliable energy and internet access</li> </ul>	<u><b>TDA</b></u> <ul style="list-style-type: none"> <li>HUD-approved Section 184 Home Loan Guarantee Program</li> <li>VA-approved Native American Direct Loan</li> <li>USDA-approved Section 502 Direct Loan and Native American Land Acquisition Loan Program</li> <li>Assets under Fannie Mae's Native American Homeownership Program and under Freddie Mac's Heritage One Program</li> <li>Specific tribal land holdings and land designations of tribal lands (i.e., Trust Lands, Restricted Fee Lands, Fee Lands, Allotted Lands, Federal Indian Reservations, and Indian Country)</li> </ul>
<b>Rate Markup</b>	• Members may not charge more than the Prime rate at the time of the ZDA program launch (8.5%).			
<b>Qualified Loans</b>	• Qualified loans and qualified investment securities purchases must be issued/purchased on or after January 1, 2024, and closed or settled by December 2, 2024.  <i>Note: The Advance amount must be equal to or less than the loan(s) and/or investment securities the member submitted.</i>			
<b>Advance Request &amp; Certification</b>	1. Submit loan information using the ZDA Program Application Form (ZDA-002). <ul style="list-style-type: none"> <li>Members must certify the loans align with the Program Purpose and have met the Guidelines. Project submissions outside of the program guidelines will be evaluated on a case-by-case basis and require written justification.</li> </ul> 2. After application approval, members can contact the Member Services Desk to request funding under the ZDA for the approved amount(s), drawing upon your institution's available interest rate credits. <ul style="list-style-type: none"> <li>Funding is provided on a first-come, first-served basis until the total \$10 million allocation is reached. Application approvals are not a guarantee of funding; the advance(s) must be drawn.</li> </ul>			

## ZDA Mechanics: Members Receive up to \$250K in Interest Rate Credits



<b>Interest Credits Calculation</b>	3-YEAR ADVANCE RATE EXAMPLE = <b>~ 4.60%</b>	$4.60\% \times \$500K =$ <b>\$23K</b>	$\$23K \times 3 \text{ YEARS} =$ <b>\$69K</b>
<b>Interest Rate Credit Tally / Tracking</b>	Applied to the per member interest rate credit cap of..... <b>\$250K</b> Total interest generated from the Advance..... <b>- 69K</b> Interest rate credits remaining in current year..... <b>\$181K</b>		

*Rate used is an example and rounded for ease of illustration; as of 3/15/2024.*

**QUESTIONS? CONTACT:** Member Services Desk: (212) 441-6600 | Relationship Managers: (212) 441-6700

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