July 29, 2021 | 12:45 pm

COVID-19 Updates

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Empire State Development Expands New York Forward Loan Fund to Include Paycheck Protection Program Recipients

September 24, 2020

Previously Ineligible New York State Small Businesses Can Receive Low-Interest Working Capital Loans

Available to Small Businesses That Received PPP Assistance of $50,000 or Less

Empire State Development (ESD) today announced that Paycheck Protection Program (PPP) recipients are now eligible to receive low-interest loans from the New York Forward Loan Fund (NYFLF). This conditional change will provide the Fund's network of lenders and financial institutions with greater flexibility and enable them to provide more small businesses with working capital to cover expenses associated with reopening.

ESD Acting Commissioner, and President and CEO-delegate Eric Gertler said, "The coronavirus pandemic was an unprecedented challenge to the state's business community, of which ninety-eight percent are small businesses. Providing assistance and opportunity – particularly to our state's minority- and women-owned businesses – to help them reopen is essential toward revitalizing our economy and building New York back better."

When the NYFLF launched (https://esd.ny.gov/esd-media-center/press-releases/esd-hcr-100-million-new-york-forward-loan-fund) in May, the federal Small Business Administration had just issued rules regarding companies' eligibility for federal assistance. The goal of the NYFLF was to help New York-based small businesses that did not receive PPP funding with flexible working capital to reopen and adapt to post-COVID needs. Companies with 20 employees or less make up 90% of New York's business community, and it was critical to provide a funding lifeline to those businesses shut out of federal assistance.

However, some NYFLF applicants who needed assistance were deemed ineligible because they had already received PPP funds. Through discussions with lenders and applicants, it became apparent that PPP loans did not go far enough to support New York-based small businesses. Legislative criteria restricted how the government assistance could be spent, and oftentimes PPP amounts were a fraction of what was needed and requested.

Starting today, NYFLF Community Development Financial Institutions (CDFIs) will contact previously ineligible applicants to determine if they are still interested in funding and begin the underwriting process. This is limited to small businesses who received $50,000 or less in PPP assistance. The fund is prepared to process the new applications from this change while also working with existing applicants. Small business who did not receive any federal assistance are still eligible and encouraged to apply. Additionally, the program goal of providing at least 60% of loans to Minority- and Women-Owned Business Enterprises (MWBEs) remains, and that goal will not change due to the newly-expanded eligibility.

Eligible small businesses and small residential landlords can apply for a 60-month, no-fee loan with a 3% fixed interest rate; while eligible non-profits can apply for a 60-month, no-fee loan at 2% fixed interest. The maximum loan amount is $100,000. Loan funds can be used for working capital including payroll, operating and emergency maintenance, property taxes, utilities and costs associated with refitting physical space to follow social distancing guidelines. More information is available online at nyloanfund.com (https://www.nyloanfund.com/).

The five CDFIs processing applications are Accion East, Community Preservation Corporation, National Development Council, Pursuit and TruFund Financial Services. Seven banks have pledged support for the New York Forward Loan Fund: Apple Bank, BNB Bank, Evans Bank, HSBC, M&T Bank, Morgan Stanley and Wells Fargo. Additionally, the fund has received philanthropic commitments from the BlackRock Charitable Fund, Citi Foundation, Ford Foundation, and the Ralph C. Wilson, Jr. Foundation. The New York Forward Loan Fund was established with support from Calvert Impact Capital. The Local Initiatives Support Corporation (LISC) is administering the fund, and Connect2Capital is hosting applications.

About Empire State Development

Empire State Development (ESD) is New York's chief economic development agency. The mission of ESD is to promote a vigorous and growing economy, encourage the creation of new job and economic opportunities, increase revenues to the State and its municipalities, and achieve stable and diversified local economies. Through the use of loans, grants, tax credits and other forms of financial assistance, ESD strives to enhance private business investment and growth to spur job creation and support prosperous communities across New York State. ESD is also the primary administrative agency overseeing Governor Cuomo's Regional Economic Development Councils and the marketing of "I LOVE NY," the State's iconic tourism brand. For more information on Regional Councils and Empire State Development, please visit www.regionalcouncils.ny.gov (http://www.regionalcouncils.ny.gov) and www.esd.ny.gov (http://www.esd.ny.gov).

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