



### What is the Jobs for New England Program?

Jobs for New England (JNE) is a three-year, \$15 million (\$5 million per year) interest-rate subsidy program funded through FHLB Boston's earnings. The program is designed to further enhance our members' economic development lending activities by funding job growth and economic development throughout New England. The subsidy is used to write down interest rates to zero percent on Classic Advances that finance qualifying loans to small businesses.

### How does JNE work?

JNE provides zero-percent advances (principal paid at maturity) to members in terms from one- through 10-year maturities to support eligible small businesses in New England. Members identify an eligible borrower, apply online for JNE funding and take down the approved JNE advance within 90 calendar days after approval.

### How are JNE funds allocated?

Members may apply for up to \$250,000 in interest subsidy per year to create zero-percent interest rate JNE advances. JNE will be allocated through two funding periods. The first funding period kicks off January 12, 2018. The second funding period opens July 1, 2018. JNE funds are available on a first-come, first-served basis, are not guaranteed, and must be used for lending within the six New England states. JNE advances may be requested at one time or through multiple requests.

### How much can my institution lend to small businesses using up to \$250,000 interest-rate subsidy?

Depending on the term of the Classic Advance, a \$250,000 interest-rate subsidy could leverage funding up to \$13.7 million. Jobs for New England advances vary from one to 10 years and, simply put, the shorter the term, the larger your potential available advances to use for small business lending.

*Please note: The interest rate used to calculate potential advances is for illustration purposes only and may change at any time.*

JNE Subsidy	1-Year Advance	3-Year Advance	5-Year Advance	10-Year Advance
\$250,000	\$13,700,000	\$4,130,000	\$2,310,000	\$1,040,000
\$100,000	\$5,450,000	\$1,650,000	\$925,000	\$415,000
\$50,000	\$2,740,000	\$825,000	\$460,000	\$208,000

### Will any JNE subsidy not requested during 2018 carry over into 2019?

No. If any of the \$5 million in interest rate subsidy allocated for 2018 is unused at 12/31/18, it will not carry over into 2019. Unused subsidy expires at the end of each calendar year.

### What spread should we apply to the loan? Is there a cap?

The zero-percent advances provided by FHLB Boston for Jobs for New England loans empower you to offer business loans at below-market rates with spreads comparable to your other loans. The spread cannot be greater than the spread normally charged for a loan of comparable risk and term.

### How many days do we have to disburse our advances?

Upon approval, Jobs for New England advances must be disbursed within 90 calendar days.

### Are nonprofit borrowers eligible?

No. Nonprofits are not eligible for Jobs for New England at this time because they are not considered small businesses by SBA standards.

[Apply online at housing.fhlbboston.com](https://housing.fhlbboston.com)

For more information, please contact Fatima Razzaq at [Fatima.Razzaq@fhlbboston.com](mailto:Fatima.Razzaq@fhlbboston.com) or Kathy Naczas at [Kathy.Naczas@fhlbboston.com](mailto:Kathy.Naczas@fhlbboston.com) or call 1-888-424-3863 (option 1), or contact your relationship manager.



### **Can my financial institution fund a Community Development Financial Institution (CDFI) or quasi financial intermediary involved in small business lending?**

Yes. Members may use Jobs for New England funds to capitalize a small business loan fund administered by a CDFI or other quasi financial intermediary, provided the end loan made to the small business meets the general requirements of the JNE program. This includes meeting at least one of the Job Opportunity & Retention or Economic Development criteria, spread over JNE funds, and reporting requirements.

### **Can JNE funds be used for a refinance?**

Yes. Refinance transactions are eligible for JNE financing if the refinance meets program requirements. The refinance must generate proceeds of at least 15 percent of the total advance amount and be reinvested back into the business. The new interest rate must be lower than the original rate.

### **How does my organization apply for JNE funds?**

Members must complete an online application by logging in to the Bank's Community Lending website at [housing.fhlbboston.com](http://housing.fhlbboston.com). New online users can easily create an account at this site.

### **How does FHLB Boston review and approve my application?**

Applications for JNE advances are reviewed and approved based on the extent to which they satisfy program eligibility requirements and meet the spread requirements. Members will receive a notification of approval or a request for additional information within three business days of the Bank's receipt of an application.

### **Is there a prepayment fee on the JNE advance?**

No. Unlike the Bank's normal advance products, members will not

be required to pay a prepayment fee in the event they choose to prepay the JNE advance.

### **How does my organization request a disbursement of funds?**

Once an application has been approved, an email notification will be sent outlining the next steps. JNE advance requests must be made within 90 days of application approval. The JNE application provides a calculator for members to determine the approximate subsidy needed for the JNE advance term selected and allows members to manage their subsidy cap.

### **Are there any reporting or compliance requirements after taking down a JNE advance?**

Yes. Within six months of JNE funds being disbursed, members are required to complete a one-time online report describing how the funds were used and demonstrating that the spread did not exceed the member's typical spread for a loan of comparable risk and term.

**[Apply online at housing.fhlbboston.com](http://housing.fhlbboston.com)**

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