



# Jobs for New England Frequently Asked Questions

## What is the Jobs for New England Program?

Jobs for New England (JNE) is a below market-rate advances program designed to enhance our members' economic development lending activities. The Bank has established a \$6.5 million subsidy that is used to write down interest rates to one percent on Classic Advances that finance qualifying loans to small businesses.

## How does JNE work?

JNE provides one-percent Classic Advances (principal paid at maturity) to members in terms from one- through 10-years to support eligible small businesses in New England. Members may apply for up to \$75,000 in interest subsidy to create one-percent interest rate JNE advances.

## How are JNE funds allocated?

Funds will be allocated through two application and funding periods. The first application period begins on February 4, 2019, with funding available on March 4, 2019. The second period begins on June 3, 2019. JNE funds must be used for lending within the six New England states. JNE advances may be requested at one time or through multiple requests.

## How does the application process work?

There are two keys steps in the process. First, members must submit a program application to reserve funds 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. FHLBank Boston will notify members via email within four weeks of the funding period opening confirming their approval to participate in the program, providing information regarding their interest-rate subsidy allocations, and outlining next steps.

Once a member has been approved and notified about funding, the second step is to identify eligible borrower(s), submit JNE project application(s), and request disbursement(s). Funds for the first round will be available March 4, 2019 and must be disbursed by May 31, 2019. Funds for the second round must be disbursed by September 30, 2019. To request JNE advance disbursement(s), call the Money Desk at 1-800-357-3452.

## How much can my institution lend to small businesses using up to \$75,000 interest-rate subsidy?

Depending on the term of the Classic Advance, a \$75,000 interest-rate subsidy could leverage funding up to \$4.5 million. JNE advance terms range from one to 10 years and, simply put, the shorter the term, the larger the potential small business lending pool will be.

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

The advances provided by FHLBank Boston for JNE loans empower members to offer business loans at below market rates. The spread and fees cannot be greater than the spread and fees normally charged for a loan of comparable risk and term.

## By when do my JNE advances need to be disbursed?

Upon allocation, JNE advances must be disbursed by May 31, 2019 during the first round. For the second round, funds must be disbursed by September 30, 2019.

JNE Subsidy	1-Year Advance	3-Year Advance	5-Year Advance	10-Year Advance
\$75,000	\$5,500,000	\$1,550,000	\$900,000	\$400,000
\$50,000	\$3,000,000	\$1,005,000	\$600,000	\$265,000

*\*Based on January 9, 2019 rates*

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

For more information, call 888-424-3863 (option 1), email [jne@fhlbboston.com](mailto:jne@fhlbboston.com), or contact your relationship manager.



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### **Are nonprofit borrowers eligible?**

No. Nonprofits are not eligible for JNE at this time because they are not considered small businesses by SBA 504 standards and guidelines.

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

Yes. Members may use JNE 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 (see Program Overview for more details), spread over JNE funds, and reporting requirements.

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

Yes, within limits. 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 loan rate.

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

Members' JNE project applications (potential borrowers or loans) 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.

### **What if prepayment of the JNE advance is needed?**

JNE advances are subject to the Bank's standard prepayment policy.

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

Yes. We will ask members to supply a copy of the promissory note. Also, within one month 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.

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