



SMALL BUSINESS LOANS  
**NEW YORK CITY**  
YOUR **2020 GUIDE** TO LOCAL LENDING



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# WHEN YOU DECIDED TO START YOUR BUSINESS IN NEW YORK CITY...

you were likely drawn to the city's vibrant energy, exciting communities, and world-class workforce (or, you simply called it home). You were probably less enthusiastic when you realized everything that operating a business in the city entails: huge rent costs, insurance policies, unexpected expenses at every turn, and *oh-so-many* regulations.

Getting a business off the ground—and then keeping it running—can be daunting for even the most seasoned business owners. For a first-time owner, it can be even tougher: sometimes it feels like the deck is stacked against you.

The good news is that even though starting a business can be an isolating experience, there are countless financial institutions and programs that exist solely to help business owners thrive. Many of them are based right here in New York City, meaning you get to have a face-to-face relationship with someone who is (quite literally) invested in your success!

The following report explains some of the best local loan options available for New York City business owners in 2020. The best part? It's written in plain English... from one NYC business owner to another! No advanced degree or knowledge of financial jargon required. (After all, you're probably paying your CPA or CFO a pretty good chunk of change... leave the jargon to them!)



# TOP LENDERS FOR NYC SMALL BUSINESS LOANS

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Just like there's no one-size-fits-all when it comes to loans, there's no one right lender, either. Big, national banks are a great fit for some businesses, while smaller, local banks make perfect partners for others. Still other business owners find that credit unions, government programs, or non-profits are best aligned with their needs. Here's a list of a few of New York City's top lenders for small businesses.



*Large Bank*

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**Chase Bank**

[Chase Bank](#) is based in New York City, but it also happens to be the largest bank in the country. The bank is one of the top financiers of small-business loans nationwide: In 2018 alone, Chase's SBA-backed business loans totaled \$68 million to more than 550 small businesses across the five boroughs. In addition to SBA loans, the bank offers flexible financing and business lines of credits for qualifying businesses.



*Community Bank*

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**Cross River**

[Cross River](#) describes itself as a "trusted financial services organization that merges the established expertise of a bank, with the innovation and product offering of a technology company." Founded in 2008, the company's home office is just outside the city in Fort Lee, New Jersey. They've earned rave reviews from their small-business clients for competitive rates and terms, especially for SBA-backed loans. Customers can borrow up to \$5 million on a 7(a) SBA-backed loan and up to \$18 million for 504 loans with repayment periods of up to 25 years.



### Credit Union

## Brooklyn Cooperative Federal Credit Union

[Brooklyn Coop](#) is one of the city's top small-business lenders. It's a credit union, not a bank—which means it's a non-profit institution. It considers loan applications "from any business regardless of its history," offering flexible repayment terms of up to 12 years. Its startup loans start at \$500 and go up to \$15,000, while established companies can borrow up to \$50,000.



### Government Program

## NYC Capital Access Loan Guaranty Program

[The NYC Capital Access Loan Guaranty Program](#) is a public-private partnership that helps micro and small businesses who have been unable to access conventional bank loans get up to \$250,000 to be used for working capital, leasehold improvements, and equipment purchases.



### Fund/Grant

## Nonprofit Finance Fund

If you're a nonprofit or social-enterprise startup looking for funding, the [Nonprofit Finance Fund's](#) New York office is an option to investigate. NFF currently manages over \$347 million in assets and has provided \$875 million in financing over the past 40 years. It's a US Community Development Financial Institution (CDFI), meaning its focus is on making affordable loans available to help a community's least-advantaged citizens.



Just like there's no **one-size-fits-all** when it comes to loans, there's no one right lender, either.



# TOP TRADITIONAL LENDERS FOR NYC SMALL BUSINESS LOANS

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Looking for a traditional lender in NYC? Here's where to start. The banks and credit unions below all offer favorable terms for SBA-backed loans, bank-term loans, and various other types of small-business financing.

## 1 **Bank of America**

[Bank of America](#) offers several types of loans to business owners. Most require a business to have been operating for two years and generating \$250,000 in annual revenue.

## 2 **Wells Fargo**

[Wells Fargo](#) is another national bank with many loan choices. It offers loans as small as \$10,000 for qualifying businesses.

## 3 **TD Bank**

[TD Bank](#) calls itself "America's most convenient bank," in part because it's open seven days a week. Its direct loans offer up to \$1,000,000 to entrepreneurs for expenses ranging from manufacturing to equipment to real estate.

## 4 **Empire State Bank**

[Empire State Bank](#) is a full-service, community-oriented bank that opened in 2004 to help serve the needs of all New Yorkers, including small-business owners. It offers various loan and lending options.

## 5 **New York University Federal Credit Union**

[The New York University Federal Credit Union](#) offers loans of up to \$250,000 to help with everything from inventory and working capital to housing needs, plus various micro-loans. In order to join, you or an immediate family member must be an NYU alum, student, or an active or retired employee, faculty member, or staff member.



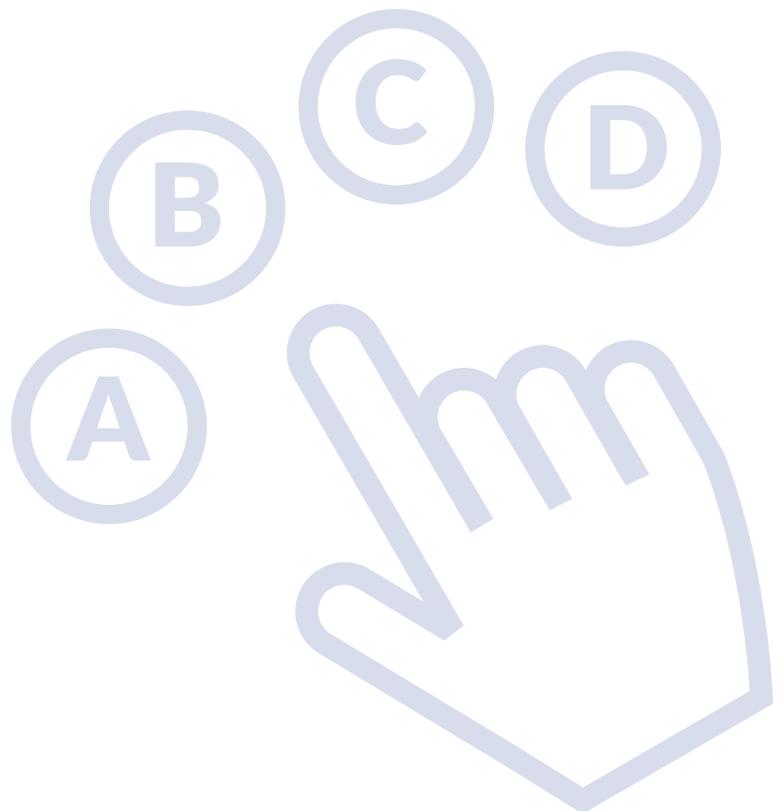
# ONLINE SMALL BUSINESS LOAN OPTIONS

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You can get just about anything online these days, so it should come as no surprise that online small business loans exist, too. Various lenders, like [Kapitus](#), offer loans of all types and sizes.

Each institution sets its own requirements, and they can vary greatly from lender to lender. If you're considering an online small business loan, make sure to read—really read—all the fine print. It's paramount that you understand all the terms

and conditions of the agreement you're entering. The last thing you want to do is get into a long-term partnership with a lender that may not provide the flexibility your business needs.



# TOP GOVERNMENT PROGRAMS FOR NYC SMALL BUSINESS LOANS

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Various programs exist to help small businesses thrive in the boroughs. Here are a few examples.

## 1 Contracting Financing Loan Fund

If you're hoping to get a contract as a contractor or subcontractor with a New York City entity or agency but need working capital to do so, NYC's [Contract Financing Loan](#) might be for you. It offers qualifying business owners up to \$500,000 at an annual interest rate of 3% to help kickstart contract work.

## 2 M/WBE Opportunities

If you're a minority or woman business owner, you may qualify for various incentives from the City. The [Office of Minority and Women-Owned Business Enterprises](#) was established in 2016 to help level the playing field for diverse founders. Its initiatives include awarding \$20 billion to M/WBEs by 2025 and ensuring 30% of City contracts go to M/WBEs by 2021.



## 3 Veteran Institute for Procurement

If you're a veteran, the [Veteran Institute for Procurement](#) is a resource dedicated to helping you secure federal contracts and navigate lending options available to you.

## 4 Business Center for New Americans

The [Business Center for New Americans](#) offers small business loans ranging from \$75,000 to \$250,000 to small businesses in Queens and Staten Island, and to specifically immigrant, refugee or women-owned businesses in Brooklyn, the Bronx, and Manhattan.

## 5 SBA Loans

The [SBA](#) guarantees loans of virtually every amount from \$500 to \$5.5 million. There are SBA offices in every borough that can help you identify what loan is right for your business and find the right lending partner. You can even get matched with a mentor to help you as you grow.

# TOP FUNDS/NON-PROFIT PROGRAMS FOR NYC SMALL BUSINESS LOANS

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Many funds and non-profit lending programs exist to help entrepreneurs. These options don't go through traditional banks, although investment criteria and repayment terms can be similar. Here are a few of the top options.

## 1 **Innovation Venture Capital Fund**

New York State operates its own [\\$100 million venture capital fund](#) to invest in early-stage startups. It is mainly focused on companies developing new technologies that are aiding job creation and driving economic growth. Its direct-equity investments typically range from \$500,000 to \$1.5 million.

## 2 **Accion**

[Accion](#) is a non-profit lender that offers highly-customized loans to business owners of every type. It has special programs for women, veterans, Native Americans, and minority business owners looking to grow their organizations.

## 3 **TruFund**

[TruFund](#) is a non-profit financial institution that provides financing and business services to "small businesses that cannot access affordable financing through traditional sources."

## 4 **Grameen America**

[Grameen America](#) has invested more than \$1.2 billion to women entrepreneurs via microloans. Their focus is on serving current and aspiring female business owners living at or below the federal poverty line.

## 5 **Excelsior Growth Fund**

[Excelsior Growth Fund](#) offers various types of loans to businesses that have been operating for two years that have at least two employees. Their focus is on spurring economic development and job creation.



# GRANTS FOR NYC SMALL BUSINESS OWNERS

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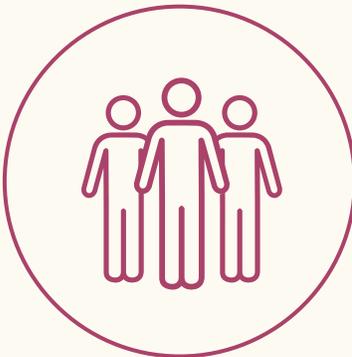
Many entrepreneurs think grants are the Holy Grail of funding options, likening them to "free money." While that may be true in theory, it's important to note that most grants come with very specific conditions for how money can—and can't—be spent. They're also hard to come by since competition is tough.



**Industry Specific**



**Hiring Stipulations**



**Certain Entrepreneurs**

Many grants are industry-specific; come with employee-hiring stipulations; or are offered only to entrepreneurs of a certain background, race, ethnicity, or gender. If you meet the criteria, here are five annual grants for which your business may want to consider applying.

## 1 FedEx Small Business Grant Contest

Every year, [FedEx](#) awards grants to 10 or more entrepreneurs to help their businesses grow. In 2020, the company awarded business services and \$50,000 to a grand-prize winner, \$30,000 to a runner-up, and \$15,000 each to eight third-place small businesses.

## 2 Citizens Committee for New York City

The [Citizens Committee for New York City](#) offers micro-grants (usually under \$5,000) on a rolling basis for specific projects to help beautify specific neighborhoods, schools, and/or blocks.

## 3 Office of Mental Health: Forensic Homeless Intensive Case Management Program

Each year, the State [grants](#) \$338,000 to businesses that assist mentally ill homeless individuals returning to New York City from New York State prisons with accessing housing and developing skills to remain independent and in stable housing.

## 4 Visa Everywhere Initiative

[Visa](#) is one of literally dozens of corporations with grant programs and contests. Like FedEx, it launched a corporate grant program several years ago aimed at helping entrepreneurs. Each year, the company awards a \$50,000 grant to the startup that best demonstrates an ability to "solve payment challenges of tomorrow."

## 5 Economic Development Grants

If your business needs to purchase land, equipment, or even fixtures for a new office, you may qualify for one of many [economic development grants](#) available through the State of New York.



For more grants, visit the [New York State Grants Gateway](#) portal.



# THE BOTTOM LINE

As Frank Sinatra so famously put it, if you can make it here, you really can make it anywhere. The most important thing is not to be afraid to ask for help: after all, New Yorkers are well known for looking after our own.

Did you know that, according to a [state report](#), more than 98% of New York's businesses employ less than 100 people? Almost half (45%) of the state's businesses have sought financing in the past 12 months, and 70% have annual revenues of less than \$1 million.

Let Kapitus help you find the perfect local loan solution to help you and your business grow. Get simple, personalized, no-pressure information on the best options for your business today.

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If you want to get more specific advice on which financing options are right for your business, or how to choose a lender for your business financing, call Kapitus at 800-780-7133 to speak with one of our financing specialists or [visit our website](#)



## **About Kapitus**

*Founded in 2006 and headquartered in NYC, Kapitus is one of the most reliable and respected names in small business financing. As both a direct lender and a marketplace built with a trusted network of lending partners, Kapitus is able to provide small businesses the financing they need, when and how it is needed. With one application business owners can save time and money, while eliminating the stress that comes with applying to different lenders. At Kapitus, we believe that business owners should be able to focus on running their business, while we take care of the financing. To learn more, visit [www.kapitus.com](http://www.kapitus.com).*



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