

## ED Project Abstract

**Name:** Nonprofit Finance Fund  
**Address:** 5 Hanover Square, 9<sup>th</sup> Floor, New York, NY 10004

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### **Program name: Charter School Equitable Access Fund**

Nonprofit Finance Fund (NFF) is a 40-year-old nonprofit Community Development Financial Institution with two decades of experience lending to charter schools to help them acquire, construct and renovate facilities. NFF respectfully requests a ██████████ grant (the “Grant”) to assist more charter schools with flexible low-cost capital to complete their facilities projects. NFF will leverage the Grant to provide ██████████ in capital to 30 charter schools, including start-up schools and other types of schools underserved by traditional financing options.

**Goals:** Our goals are to (1) increase financing for charter schools in underserved communities; (2) expand the supply of affordable capital for charter school facilities by providing flexible products that leverage additional capital; (3) increase access to capital for start-up and early-stage schools; and (4) improve charter schools’ real estate financing and project planning and management knowledge.

**Activities:** Our activities are in direct response to the purpose of the Credit Enhancement for Charter School Facilities Program. With a ██████████ Grant, NFF will provide a range of innovative, credit-enhanced financial products to enhance the availability of financing for start-up and early-stage charter schools as well as more mature schools. NFF will offer: (i) predevelopment loans; (ii) construction / term loans (iii) leasehold improvement loans; (iv) acquisition / renovation loans; (v) lease guaranties; and (vi) bond guaranties. Subordinate debt will be a primary offering. These products will allow schools to buy, renovate and build schools. NFF will offer better-than-market rates and terms for these products, which in many cases are simply not available to charter schools at any price, particularly start-up and early-stage schools.

**Expected outcomes:** Over five years, NFF will leverage a ██████████ Grant to deliver ██████████ ██████████ to charter school facility projects, including ██████████ of NFF capital, leveraging the Grant by a ratio of 14:1. NFF will serve at least 30 schools, including 10 start-up and early-stage schools. At least 75% of our lending will serve schools located in low-income communities and serving low-income students.

**Contributions:** NFF anticipates a low loan loss experience on these products, consistent with its historic track record and extensive education expertise. The successful deployment of this Grant will demonstrate the creditworthiness of charter schools – including carefully-selected start-up and early-stage schools – to a broader range of lenders, as well as the value of flexible underwriting that looks beyond collateral values and charter renewal cycles to more meaningful indicators of charter school success.