

**PR #** S354A230016  
**Applicant:** BlueHub Loan Fund (BHLF)  
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**Project Name:** Forever Financing Program

BlueHub Loan Fund (BHLF), a nonprofit community development financial institution that has been providing flexible lending terms and products to support low-income communities for 39 years, respectfully requests a \$15 million Credit Enhancement award.

BHLF will use an award to

- 1) enhance the credit of startup and early-stage charter schools by launching a first-of-its-kind program that offers 29.5-year to 40-year, fixed rate, permanent financing with interest rates and terms comparable to market offerings for BBB- rated charter schools Forever Financing Program (FFP);
- 2) provide a road map for community development financial institution's nationwide to replicate and scale up FFP;
- 3) expand/continue offering subordinate loans consistent with its 2021 Credit Enhancement award; and
- 4) focus on meeting the needs of schools in financially underserved markets and in low-income, low-performing districts. FFP will be an innovative, new program demonstrating that community development financial institution's can offer permanent financing early in a school's life cycle to avoid the risk, expense, and staff burden associated with refinancing construction/bridge loans.

BHLF's goals for an award are to:

- 1) provide 29.5-year to 40-year, fixed rate, permanent financing for early-stage and start-up schools while demonstrating proof of FFP concept;
- 2) provide a blueprint for other community development financial institution's to replicate and scale FFP nationwide; and
- 3) finance facilities for young schools serving communities where high percentages of students are low-income and perform below proficient on state assessments.

BHLF will use the award to deliver \$115 million to \$165 million total financing from private sources to support charter school facilities projects. By reinvesting projected earnings on the award BHLF expects to grow the supported loans by approximately 6% per annum to double the impact every 12 years. BHLF will support schools nationwide, with at least 3/4ths of schools served in districts where over 75% of students are low-income and over 50% of low-income students perform below proficiency on state assessments. BHLF will share the FFP structure and results openly with industry peers to maximize replication and benefit more schools.

BHLF will provide long-term, permanent, fixed-rate financing to complement the financing options BHLF developed through three prior Credit Enhancement awards. BHLF anticipates successful deployment and continued low loan losses (0% to date), and thus to demonstrate strategies with Credit Enhancement are viable investments that increase the number and variety of charter schools.