# **REDF IMPACT INVESTING FUND (RIIF)**







Formed by REDF in response to the demand for flexible capital, REDF Impact Investing Fund's (RIIF) mission is to provide financing paired with capacity building support to nonprofit and for-profit employment social enterprises to strengthen their financial sustainability and grow their businesses so they can employ and equip more individuals striving to chart a new course in life.

# **INVESTING IN PURPOSE -DRIVEN BUSINESSES**

RIIF makes loans to mission-driven, revenue-generating businesses nationwide that provide paid, transitional and/or permanent jobs and wraparound services to individuals striving to overcome employment barriers, including:



Justice System Involvement



Homeless/ Unstably Housed



Mental Health/ Substance Use Challenge



Refugee/ Asylee



Domestic Violence and/or Trafficking



Opportunity Youth/ Emerging Adult

#### WHY PARTNER WITH RIIF?

Flexible capital and loan terms to grow, seize new opportunities, and better serve employees

specialized technical assistance, informed by 25 years of venture philanthropy experience, for one discrete project during the life of the loan Variety of loan products including working capital term loans, lines of credit, and bridge loans

**Access to REDF resources,** opportunities and national network of partners

Commitment to expand share of borrowers that are led by people of color and/or people who have experienced employment barriers

#### **ELIGIBILITY CRITERIA**

Minimum 3 Years in Operation

Historical profitability with growing profit margins

Positive Revenue Growth

Strong Management Track Record Term Loans: 2-7 Years, Potential for Interest-Only Period Bridge Loans: 6-12 Months

**Lines of Credit:** 12 Months, Potential for Renewal **Loan Origination Fees:** 

>\$200,000: 1.0-1.25% of total loan amount;

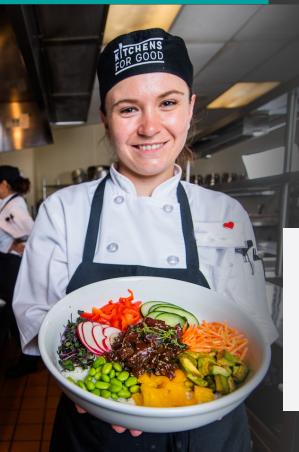
<\$200,000: \$2,500

Closing Costs Fee: Up To \$2,500 Interest Rates Typically 6.75-7.25% No Prepayment Penalties

#### **LOAN SIZE**

RIIF offers loans in amounts that correspond to the organization's need, creditworthiness, and ability to hire individuals with significant barriers to employment. Our loans typically range from \$100k to \$1M. Smaller or larger loan sizes are considered on a case-by-case basis.

## **RIIF'S LENDING PROCESS**



We are with you every step of the way to help you navigate the loan process.

### TIMING

Typically 60-90
days from initial
conversation to
loan closing, depending
on complexity of the
loan, capital stack,
and availability of
information needed
to underwrite.

**EXPLORATORY CONVERSATION** 

SCREENING: MISSION & PORTFOLIO FIT

INVITATION: LOAN APPLICATIONS

PREVIEW MEMO APPROVAL

ISSUE TERM SHEET

UNDERWRITING & DUE DILIGENCE

LOAN APPROVAL

LOAN CLOSING

#### **OVERVIEW OF INITIAL DUE DILIGENCE REQUESTS:**

Provide a **brief introduction** to the social enterprise and plans for growth

**Explain the purpose** of the loan funds

Prepare snapshot of financial performance

**Provide overview** of operational history

Provide leadership & board bios

Describe the potential **loan's impact** 

