

# REDF

An investment that **works**.

## *Impact Lending FAQ*

### *Why loans?*

Social enterprises working with populations with significant barriers to employment are not well-served by the commercial loan market and often lack access to flexible loan capital. As the philanthropic community becomes increasingly aware of the value of impact investing, REDF is uniquely positioned to leverage its 20+ years of experience and capital to catalyze social enterprise growth and generate measureable impact for those facing barriers to employment.

### *Who does REDF provide loans to?*

REDF aims to provide loans to social enterprises and businesses that hire, or seek to hire, people that are striving to overcome employment barriers, including histories of homelessness, incarceration, substance abuse, mental illness, and limited education.

### *What are social enterprises?*

Social enterprises are competitive, revenue-generating businesses with a clear social mission. They provide a real paying job and wraparound services that help employees stabilize their lives, build their skills, and succeed. They can be non-profit or for-profit legal entities.

### *What kind of social enterprises do you invest in?*

We invest across industry, including staffing, cleaning, maintenance, recycling, consumer goods and retail, food services and manufacturing. We do consider providing loans in other industries on a case-by-case basis.

### *What can the loans be used for?*

Our loans are typically used for working capital, growth capital, equipment upgrade, and bridge funding. Other uses are considered on a case-by-case basis.

### *What is REDF's lending eligibility criteria?*

- Minimum 3 years of operations;
- Current or demonstrated path toward profitability;
- Positive sales growth; and a
- Strong management track record

*What is the typical loan size?*

REDF evaluates each loan application on a case-by-case basis, offering loans in amounts that correspond to the organization's need, creditworthiness, and ability to hire from populations with significant barriers to employment.

*What are the terms?*

We typically look to make loans with a 3-5 year maturity at a fixed or variable interest rate that is determined based on the terms of the transaction and our assessment of creditworthiness.

*How do I apply for an impact loan?*

Applications are by invitation only. We want an opportunity to learn about you and give you one to learn about REDF. If you are interested in working together, then please contact us at [elinick@redf.org](mailto:elinick@redf.org) or visit us at REDF.org.