

# REDF IMPACT INVESTING FUND (RIIF)



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

## TYPICAL BORROWER PROFILE

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**



**Homelessness**



**Mental Illness and Addiction**



**Refugee Status**



**Domestic Violence and/or Trafficking**



**Disconnection from School/Work for Those Under 25**

## WHY PARTNER WITH RIIF?

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

**Specialized technical assistance**, informed by 20+ years of venture philanthropy experience, for one discrete project during the life of the loan

**Variety of loan products** including working capital, growth capital, equipment upgrades, bridge financing

**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**

**History of, or Credible Path to, Profitability**

**Positive Revenue Growth**

**Strong Management Track Record**

## LOAN TERMS

**Term Loans:**  
2-5 Years  
**Bridge Financing:**  
6-12 Months

**Typically Fully Amortizing with Potential for Interest-only Period**

**1.25-2.00% Origination Fee on Total Loan Amount**

**No Prepayment Penalties**

**Interest Rates Typically 6-8% Based on Terms and Risk Profile**

## 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. To date, our loans have ranged from \$75k-500k.

## 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.

- 1 EXPLORATORY CONVERSATION
- 2 SCREENING: MISSION & PORTFOLIO FIT
- 3 INVITATION: LOAN APPLICATIONS
- 4 PREVIEW MEMO APPROVAL
- 5 ISSUE TERM SHEET
- 6 UNDERWRITING & DUE DILIGENCE
- 7 LOAN APPROVAL
- 8 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**