

Loan Product: Bridge Loans to Employment Social Enterprises



REDF
An investment that works.

REDF impact
Investing Fund



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.

PRODUCT OVERVIEW

A bridge loan allows businesses to pay for upfront costs needed to grow and scale, while awaiting receipt of a committed source of funding, such as a government contract, grant, or funder pledge.

TYPICAL TERMS

Loan size: \$100k - \$1 million; smaller or larger requests are reviewed on a case-by-case basis

Term: Typically 3 - 6 months

Interest rates typically: 6.50–7.25%

Origination fees: Loans >\$200,000:
1.0-1.25% of total loan amount;
Loans <\$200,000: \$2,500

Collateral: Lien on business assets

Repayment source: Must be secured/committed

UNDERWRITING REQUIREMENTS

- Due diligence performed on the committed funding source
- Review of project for which funds will be used
- Other standard requirements, ex. financial analysis to verify secondary source of repayment

**For eligibility criteria go to: redf.org/what-we-do/impact-lending/*

BORROWER SPOTLIGHT



The Doe Fund

For over 30 years, The Doe Fund, Inc. (TDF), a non-profit organization in New York City, has been dedicated to breaking the cycle of homelessness, addiction, and criminal recidivism.

TDF received a reimbursable grant from the City of New York; RIIF provided a bridge loan to enable TDF to make upfront purchases of two refrigerated vans, which support its new mobile markets project that is part of the Good Food Works program.

With this investment, The Doe Fund expects to employ five new individuals within the six-month loan term, and an additional 15 individuals within the first year of the program.