

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.

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/Asylees



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 lines of credit, 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 Profitability

Positive Revenue Growth

Strong Management Track Record

LOAN TERMS

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
6.50-7.25%

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. 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**