

**Low Income Investment Fund  
Brighter Futures Fund (“BFF”)  
Secured Real Estate Loan Product Sheet**

LIIF has committed to centering racial equity in its lending business and driving \$5 billion to advance racial equity over the next decade. The Goldman Sachs One Million Black Women initiative is driving capital to address the dual disproportionate gender and racial biases that Black women have faced for generations. The Brighter Futures Fund (BFF) is part of the Goldman Sachs One Million Black Women initiative.

<b>Product</b>	BFF will finance Early Care and Education (ECE) centers. BFF loans will be analyzed and underwritten to comply with LIIF’s standard guidelines and loan products.
<b>Borrower and Project Eligibility</b>	<ul style="list-style-type: none"> <li>• ECE providers are eligible borrowers</li> <li>• Developers are eligible borrowers</li> <li>• ECE providers must have strong track record and 2+ years of operations as a child care center. High quality rating preferred</li> <li>• Child care slots must be Head Start or voucher / subsidy funding</li> </ul>
<b>Use of Funds</b>	<ul style="list-style-type: none"> <li>• Loans can be used for constructing a new facility, acquiring and/or renovating an existing facility, or fitting out a leased space.</li> </ul>
<b>Amount</b>	<ul style="list-style-type: none"> <li>• Approx. between \$500,000 and \$2,000,000</li> <li>• Limited to 85-90% Loan to Value (LTV, calculated as a loan amount divided by the Project’s appraised value)</li> </ul>
<b>Term</b>	<ul style="list-style-type: none"> <li>• Up to 7 years, conforming with LIIF Lending Manual standards for the loan product type</li> <li>• Up to 25-year amortization</li> </ul>
<b>Interest Rate</b>	<ul style="list-style-type: none"> <li>• 3.5% fixed rate</li> </ul>
<b>Collateral</b>	<ul style="list-style-type: none"> <li>• Secured by Borrower real estate: <ul style="list-style-type: none"> <li>○ Mortgage on property if real estate is owned</li> <li>○ Long-term lease if real estate is rented. Lease should be for a 25+ year term, including extension options (ex. 15 year lease + two 5 year extension options = 25 years).</li> </ul> </li> </ul>
<b>Debt service coverage ratio (DSCR)</b>	<ul style="list-style-type: none"> <li>• Between 1.0x-1.20x, varies by program type</li> <li>• DSCR is calculated as Net Operating Income divided by debt service</li> </ul>
<b>Guarantees</b>	<ul style="list-style-type: none"> <li>• Full recourse to the Borrower</li> <li>• Additional guarantees from the principals of the Borrower may be required</li> </ul>
<b>Borrower Equity Requirement</b>	<ul style="list-style-type: none"> <li>• Minimum 10% of approved budget for each Project Loan</li> <li>• Equity contribution can be satisfied with grant funding</li> </ul>
<b>Financial Covenants</b>	<ul style="list-style-type: none"> <li>• Minimum liquidity, leverage, cash flow, and/or net worth covenants throughout loan term</li> </ul>
<b>Co-location*: special closing and funding conditions</b>	<p>Projects co-located with housing may require the following:</p> <ul style="list-style-type: none"> <li>• A letter of interest (LOI) with a BFF-approved ECE provider, with lease to ECE provider be executed at construction closing</li> <li>• Building plans that including a code compliant ECE center</li> <li>• Satisfactory budget showing appropriate costs for a co-location project consistent with the LOI</li> <li>• Evidence that the ECE program will primarily serve Black families</li> </ul>

\*“Co-location” means: ECE Center is located in the same building as affordable housing or otherwise proximate with the intent of serving residents of planned or existing affordable housing.