

## Low Income Investment Fund Brighter Futures Fund ("BFF") Secured Real Estate Loan Product Sheet

LIIF has committed to strengthening communities through its lending business. The Brighter Futures Fund, a partnership with Goldman Sachs, is expanding access to capital in the Early Care and Education sector.

with LIIF's standard guidelines and loan products.           Borrower and Project Eligibility         ECE providers are eligible borrowers           ECE providers must have strong track record and 2+ years of operations as a child care center. Higl quality rating preferred           Child care slots must be Head Start or voucher / subsidy funding           Use of Funds         Loans can be used for constructing a new facility, acquiring and/or renovating an existing facility, of fitting out a leased space.           Amount         Approx. between \$500,000 and \$2,000,000           Limited to 85-90% Loan to Value (LTV, calculated as a loan amount divided by the Project's appraise value)           Term         Up to 7 years, conforming with LIIF Lending Manual standards for the loan product type           Up to 25-year amortization         Mortgage on property if real estate is owned o 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).           Debt service coverage ratio (DSCR)         DSCR is calculated as Net Operating Income divided by debt service           Guarantees         Full recourse to the Borrower additional guarantees from the principals of the Borrower may be required           Borrower Equity Requirement         Minimum 10% of approved budget for each Project Loan Requirement         Minimum liquidity, leverage, cash flow, and/or net worth covenants throughout loan term		
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	Covenants	
<b>Co-location</b> : Projects co-located with nousing may require the following:	Co-location*:	Projects co-located with housing may require the following:
	-	• A letter of interest (LOI) with a BFF-approved ECE provider, with lease to ECE provider be executed
and funding at construction closing	-	at construction closing
conditions  • Building plans that including a code compliant ECE center	conditions	<ul> <li>Building plans that including a code compliant ECE center</li> </ul>
Satisfactory budget showing appropriate costs for a co-location project consistent with the LOI		• Satisfactory budget showing appropriate costs for a co-location project consistent with the LOI

\*"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.