CHARTER SCHOOL FINANCING

The Low Income Investment Fund (LIIF) is a nonprofit community development financial institution (CDFI) dedicated to serving low income people and communities. At the core of LIIF’s work is a commitment to alleviating poverty and helping families attain economic self-sufficiency. LIIF supports charter school projects located in distressed communities that provide education alternatives to low and moderate income students.

Eligible Borrowers: For-profit or non-profit 501(c)(3) organizations and single asset entities controlled by mission driven for-profit or nonprofit organizations

Purpose: Funds may be used for acquisition, construction and mini-permanent financing and may cover the site acquisition, construction, closing costs and capitalized interest reserve if necessary.

Products: Acquisition, Construction, Mini-Perm and Permanent direct loans, as well as New Markets Tax Credit transactions

Loan Size: Loan sizes range from $2 – 20 million depending on financing product and project specifics

Loan Fees: Origination fees are 1% to 2% depending on loan size. Borrower will also be responsible for all legal and third party report and documentation fees incurred as part of the loan approval and closing process.

Loan Term: Acquisition: Up to 3 years Mini-Perm: Up to 7 years
Construction: Up to 18 months Permanent Loan: Up to 29.5 years
New Market Tax Credit: 7 years

Interest Rate: Priced at affordable rates based on the transaction structure. Please call LIIF to inquire about current interest rates.

Repayment: Interest only or amortizing depending on structure. While source of repayment need not be committed at funding, the proposed repayment source at maturity will be analyzed.

Collateral: Loans are generally secured by real estate in a first priority position. LIIF may consider a junior position and/or additional collateral depending on the strength of the project and the cumulative loan-to-value. Loans are recourse to project sponsors and guarantees may be required.

Loan-to-Value: Maximum LTV from 80-90% depending on the financing product and project specifics.

Contact: For more information on LIIF’s Charter School program, please contact:
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