

TIME FOR A CHECK-UP?

Key questions to ask as you assess your loan fund

PURPOSE



- Were your loans part of a comprehensive plan to integrate lending into your philanthropic offering and are they in alignment with your overall organizational goals?
 - Do you have clearly articulated goals or outcome requirements for each loan your organization has made?
 - Has your organization's loan program been integrated into your philanthropic strategy and do the loans you make support your strategic goals?
 - What unmet needs do your loans address?
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IMPACT



- How are you currently measuring the impact of each loan you make as well as the overall portfolio?
 - When was the last time you reviewed your loan programs outcome or impact performance?
 - How do you discuss impact outcomes in your organization?
 - Which do you give greater weight to, impact or financial performance?
 - Are you incorporating technical assistance into your fund to broaden and deepen the impact of the loans you make?
 - Are you satisfied with the impact each of your loans and the overall portfolio is making?
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CAPITAL



- Has your fund attracted partner or outside capital?
 - Do you have local, regional, or federal government, banks and other foundations as financial partners?
 - How are you tracking capital?
 - Do the terms of your capital match the needs of your portfolio?
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DONOR INVOLVEMENT



- How are you using your loan fund to engage the donor community?
 - Are you aware of the various models of donor engagement that exist?
 - Do you understand the value of creating a donor program for your loan fund?
 - What discussions has your foundation had regarding integrating a donor engagement strategy?
 - If you have a donor engagement strategy for your fund, are you happy with the results of your donor engagement efforts?
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RISK



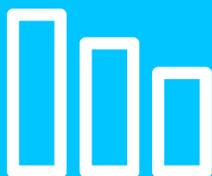
- Does your underwriting process help identify and mitigate risk?
 - How are you measuring risk during the underwriting process and on an ongoing basis?
 - Do you consider risk as part of your overall loan pricing and structure?
 - What tactics do you have for dealing with a potential or actual default?
 - What covenants are written into your loan agreements that protect you and the borrower? How often do you assess compliance?
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STAFFING & GOVERNANCE



- Does your staff have the experience, expertise, and capacity for the proper management and growth of your loan fund?
 - How are your organization and staff managing the fund? Are you achieving your desired goals?
 - Is your process for making decisions nimble enough to meet the demand and timing of your borrowers?
 - How often do you review your oversight and policies? Are you following best practices?
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REPORTING



- How often do you assess and report on the financial and outcome performance of loans you have made?
 - How do you evaluate and report on each loan that you make?
 - Are the investments in your portfolio achieving the desired impact? How do you know?
 - Do you share performance reports on your loans and the overall portfolio?
 - Do you believe your intended audience reads the reports you produce? How are the reports received?
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A NOTE FROM COMMUNITY CAPITAL ADVISORS

At Community Capital Advisors we have worked with several foundations that have made loans previously, that are either dissatisfied with their program or want to invigorate and expand their efforts. This check-up we have created is designed to evoke a reconsideration of and reevaluation of the role of non-profit lending in your foundation. The recent emergence of impact investing as a strategy for expanding foundations philanthropic mission efforts is driving increased interest and focus on nonprofit lending. We view nonprofit lending as a platform or foundational strategy for launching a broader and more comprehensive impact investing initiative. Let us help you evaluate your current lending program and show you how to realize the full potential of a robust impact lending strategy that drives asset growth as well as donor and community engagement.

**SCHEDULE
A 30-MINUTE
CONSULTATION**

We'd love to learn more about your loan fund needs.
Email Marc Rand at marc@communitycapitaladvisors.us
or Michael Meara at michael@communitycapitaladvisors.us
to schedule a call. Visit us at communitycapitaladvisors.us.

