

Positive Social Purpose (PSP) Lending Program

Program Inception: 1990

Initial Investment: \$25 million

Current Value of Outstanding Loans (3/31/2017): \$940.6 million

Strategy

- Promote affordable housing and community development for disadvantaged communities, while delivering competitive returns to investors.
- Originate loans with competitive interest rates and strong prepayment protections through established, qualified lenders, while providing high-impact social benefits.

Investment Types

- **Affordable Housing:** Affordable housing loans have funded construction, rehabilitation or preservation of over 54,000 affordable housing units in all 50 states since its inception. The program finances rental homes for individuals and families earning less than the area's median income.
- **Charter Schools and Community Facilities:** We invest in community facilities that provide services to low- and moderate-income people, including homeless shelters, healthcare centers and charter schools.
- **Microfinance:** The program provides capital to microfinance lending institutions that originate loans to individuals in developing countries who have little or no access to traditional financial services. The organizations that we have helped to fund have serviced more than a million people in Latin America, Eastern Europe, Southeast Asia and Africa.

Investment Partners

- The PSP Lending Program provides capital indirectly through a network of intermediaries¹—generally nonprofit organizations such as community development financial institutions (CDFI).
- These organizations provide initial project due diligence, underwriting and ongoing loan servicing along with asset and loan management services; we evaluate the lending opportunities presented to us and provide a source of capital.
- We engage the services of highly-qualified, professional third-parties that assist us in administering and monitoring our loans as well as provide a daily assessment of fair market value.

Characteristics (for all loan types except Microfinance):

Loan amount	\$500,000 to \$10,000,000, depending on loan type
Term	Generally, 15 years or greater
Prepayment restrictions	Penalties apply if loan is pre-paid within 15 years of origination
Minimum debt service coverage ratio	1.15x for Low Income Housing Tax Credit Loans (LIHTC) ² , 1.25x for other loan types
Loan to value	90% for LIHTC loans, 75%-80% for other loan types

¹ Active PSP Intermediaries for New Loans

California Community Reinvestment Corporation
Los Angeles, California
Community Development Trust, Inc.
New York, New York
Community Preservation Corporation
New York, New York
Community Reinvestment Fund
Minneapolis, Minnesota
Cinnaire
Lansing, Michigan

Greystone Servicing Corporation, Inc.
Atlanta, Georgia
Capital Impact Partners
Arlington, Virginia

² For more information on the Low Income Housing Tax Credit, please see: <http://www.wespath.org/investments/the-low-income-housing-tax-credit/> or contact us at: affordable_housing@wespath.org



Native American Health Center (Oakland, California)



Friendship House Healing Center (San Francisco, California)



Dolores McCoy Villa (Los Angeles, California)



The Terraces (New Orleans, Louisiana)