Positive Social Purpose (PSP) Lending Program

As of 12/31/2018  |  Learn more: wespath.com/psp  |  Email: affordable_housing@wespath.org

**Strategy**
- Promote affordable housing and community development for disadvantaged areas, while seeking to deliver market-rate returns to investors
- Originate loans seeking competitive interest rates and strong prepayment protections through established, qualified lenders, while providing high-impact social benefits

**Key Facts**
- $2 billion in investments since 1990, with $846 million in current loans outstanding
- Funded over 52,000 affordable housing units in 50 states and microfinance investments across four continents
- Capital provided through a network of professional, third-party intermediaries offering initial project due diligence, underwriting, and ongoing loan servicing

**Investment Types**

**Affordable Housing**
The program provides loans for properties benefiting individuals and families earning less than the area’s median income.

Rochester View Apartments in Henrietta, New York provide housing to individuals in the state’s Office of Mental Health and members of the deaf community.

**Community Development Projects**
The program invests in facilities that service low- and moderate-income individuals, including homeless and transitional shelters, healthcare centers and charter schools.

The Native American Health Center in Oakland, California, provides resources and services that promote health and wellness for the Bay Area Native Population.

**Microfinance**
The program invests in institutions that provide microfinance loans to individuals in developing regions—including Latin America, Eastern Europe, Southeast Asia and Africa—who have little or no access to traditional financial services.

Through program partners such as Shared Interest, PSP funds microfinance loans to borrowers like Zanele, a member of a fruit-growing cooperative in Cape Town, South Africa.

**Characteristics (for all loan types except Microfinance)**

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan amount</td>
<td>$500,000 to $10,000,000, depending on loan type</td>
</tr>
<tr>
<td>Term</td>
<td>Generally, 15 years or greater</td>
</tr>
<tr>
<td>Prepayment restrictions</td>
<td>Penalties apply if loan is pre-paid within 15 years of origination</td>
</tr>
<tr>
<td>Minimum debt service coverage ratio</td>
<td>1.15x for 9% Low Income Housing Tax Credit Loans (LIHTC), 1.25x for other loan types</td>
</tr>
<tr>
<td>Loan to value</td>
<td>90% for LIHTC loans, 75%-80% for other loan types</td>
</tr>
</tbody>
</table>

1 Active PSP Intermediaries for WII Loans

Cinnaire Corporation
Lansing, MI

The Community Development Trust, Inc.
New York, NY

The Community Preservation Corporation
New York, NY

Community Reinvestment Fund
Minneapolis, MN

Investments in the Positive Social Purpose Lending Program are made through funds available, depending on the nature of the investor, through Wespath Benefits and Investments or Wespath Institutional Investments. The information provided relates to the combined investments of all funds in the Positive Social Purpose Lending Program.