

Low-Cost & Flexible Financing Options for Charter Schools

TERMS/REQUIREMENTS	CLEARINGHOUSE CDFI	TAX-EXEMPT BOND FINANCING
Only Available to Nonprofits?	No	Yes
Application Fee	Nonprofits: \$800 For-Profits: \$1,200	Range: \$1,500-\$5,000
Financing Costs	15%-2%	4%-6% of Bond Amount
Interest Rates	10 Year U.S. Treasury + 3.75% Fixed at Close for Life of Loan	4.5%-6.75%
Term	Up to 25 Years	Up to 35 Years
Amortization	Up to 30 Years	Up to 35 Years
Flexibility Allowing Refinance	Yes. No Pre-Payment Penalty After 5 Years	Possible after 10 Years if Interest Rate Reduces
Timing	60-90 Days	90-120 Days
Subject to Annual Admin. Fees	No	Yes
Eligible Uses	Acquisition, Construction/Renovation Construction to Permanent, Refinance Debt, Reimburse Prior Capital Expenditures, Working Capital, Financing Costs	Capital Expenditures, Refinance Debt, Reimburse Prior Capital Expenditures, Working Capital, Financing Costs
Reserve Fund Requirements	Case-by-Case on Larger Loans (Usually 3 Month Payment Reserve)	Yes - 10% of Bond Amount
Processing Time	60-90 Days	90-120 Days
Time Restrictions for Reimbursing Prior Capital Expenditures	No	18-36 Months
Ability to Refinance During Life of Loan	Yes, after 5 Years w/No Pre-Payment Penalty	Possible after 10 Years if Interest Rate Reduces

Financing Example	Loan Amount	\$7,500,000	\$7,500,000
	Interest Rate	6.75%	6.5%
	Loan Term	25 Years - Amortization Over 30 Years	35 Years
	Financing Costs*	15%-2% \$112,500-\$150,000	4%-6% \$300,000-\$450,000
	Borrower Equity	Range 0-20% Depending on Appraised Value & Previous Equity Contributions	
	Reserve Requirements Example Based on \$75 Million Loan	Minimal-3 Mo. Pmt. Reserve on Larger Loans \$146,000	10% of Bond Amount \$750,000
	Example Total Loan Amount at Closing before Escrow Costs	\$7,796,000	\$8,700,000

Potential Upfront Savings: \$904,000

COMMERCIAL LENDING DEPARTMENT



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