

A. Quality of Project Design and Significance

A1. Provide financing to charter schools at better rates and terms than otherwise available.

Whether it is charter schools, affordable housing, health centers or other community facilities, Enterprise Community Loan Fund, Inc. (ECLF) understands that better rates and terms translate into greater impact in low-income communities. ECLF's commitment to provide charter schools capital at the best possible rates and terms will have two primary benefits:

1. Access: Unlocking the creation of quality new seats, especially those operated by leaders of color and early-stage operators, by providing capital to schools that have been underserved by market-driven lenders.
2. Affordability: Providing capital at rates and terms that allow more dollars to go towards educating students rather than the costs of financing facilities.

Impact is the cornerstone of ECLF's mission as a nonprofit CDFI. With an award from the Credit Enhancement for Charter School Facilities Grants Program (CE Program), ECLF will be able to increase access to capital through three innovative products: unsecured predevelopment loans, mini-permanent/bridge loans and leasehold improvement loans. In addition, we will be able to provide affordable capital with more flexible loan terms, lower interest rates and reduced loan fees.

Access: Central to ECLF's work is providing access to affordable capital to communities and groups that have historically been denied such access. Oftentimes, access to affordable capital is reserved for the largest and best-capitalized charter schools. This leaves out smaller, community-based schools that are often led by leaders of color. Early-stage schools, with less than three years of operations, similarly have fewer capital options. The lack of financing options can lead these schools to predatory development options and/or financing sources,

leaving them with high facilities costs and uncertain futures. With an award from the CE Program, ECLF will be able to expand access to affordable capital to these underserved charter schools by providing loan products tailored to their financing needs.

Unsecured Predevelopment Loans: Based on feedback from charter schools, in particular early-stage schools and schools with leaders of color, we have identified predevelopment financing as an unmet need in the current landscape. Our targeted schools have limited access to capital during the predevelopment stage of projects, during which schools need up to [REDACTED] to pay for third-party experts, such as architects, lawyers and financial advisors, to assist with the identification and planning process for a facility. Due to the lack of predevelopment capital options, schools oftentimes attempt to navigate this stage of development with no assistance, resulting in varying degrees of success. In some cases, school leaders fail to execute on a facility project and are left with no way to pay large expenses, jeopardizing the school and its future. In other cases, schools execute agreements with predatory developers who promise a streamlined process but charge fees that are not affordable to schools, driving more of their limited resources towards facilities expense and less towards student success.

With an award, ECLF will be able to provide an unsecured predevelopment loan product that will give schools access to capital prior to securing a site. This product will give schools the ability to confidently assemble a team of professionals that can help guide the school successfully through the development process. The predevelopment loan will be repaid with financing secured for construction.

Mini-permanent/Bridge Loans: Younger schools and smaller schools with leaders of color face similar hurdles in accessing mini-permanent financing, either in the form of construction financing that converts to amortizing debt over a 5-7 year period, or mini-permanent

refinancing that can serve as a bridge to permanent debt. Such bridge financing may be preferable if a school is unable to borrow long-term debt on an affordable basis, either because of its individual credit profile or more general market conditions. Even in a low-rate interest environment, schools that suffer from a weak credit profile may be better served by short-term financing sources until their academics and finances improve. Similarly, charter schools with a relatively strong credit profile should consider bridge financing if the market environment for permanent financing is unfavorable in terms of access or pricing. An award will allow ECLF to provide larger, higher LTV mini-permanent/bridge financing.

Under-Secured Leasehold Improvement Loans: Schools with short-term leases, particularly leases with local school districts that cannot be legally structured on a long-term basis, require capital to purchase equipment, make needed repairs or reconfigure space. These lease arrangements are beneficial to schools because they can be sized to meet the space needs of schools as they grow and thus, result in lower costs. Lenders, however, are often unable to take these leases as collateral either because they are short-term or do not include risk mitigation provisions that lenders typically seek, such as the ability to step into the school's shoes and re-tenant the facility in an event of default.

With the support of an award from the CE Program, ECLF will be able to provide leasehold improvement loans. These loans will allow schools to take advantage of opportunistic leases despite the inability to provide a traditional mortgage. Schools will also be able to purchase equipment and complete repairs needed to safely occupy leased facilities.

Affordability: ECLF works with charter school borrowers to structure loans that are affordable. This means that on an annual basis a charter school's facilities expenses, including debt service or lease expense, do not exceed 20% of the school's annual revenues. This also

means that the total project cost and financing terms do not require the school to raise large amounts of equity, which can be challenging and further stall a project. An award from the CE Program would enable ECLF to provide the following product term enhancements and more affordable and flexible loan terms to the charter schools we have targeted for our project.

Flexible Terms: We will expand our underwriting criteria to provide greater flexibility. We will offer longer terms than we currently offer and lift the current cap of [REDACTED] on charter school loans and adopt limits determined by our general portfolio guidelines, which is currently [REDACTED]. We will also increase allowable loan-to-values (LTV), loan-to-cost (LTC) and amortization periods. The value of charter schools, as determined by an appraisal, can often be less than the total cost to develop the school facility. Appraisal gaps are particularly common in mid-tier and rural regions where there are fewer comparable sales for appraisers to rely on. We summarize the proposed changes to our terms in the table below.

Charter School Loan Product Comparison

Product	Current Criteria	CE Program Criteria
Predevelopment Loans	<ul style="list-style-type: none">• 80% LTV• Term 1 year	<ul style="list-style-type: none">• 100% LTV or unsecured• Term up to 3 years
Mini-permanent/Bridge Loans	<ul style="list-style-type: none">• 80% LTV• Term 5 years• 20-25 year amortization	<ul style="list-style-type: none">• 90-100% LTV• Term 7 years• 25-year amortization
Leasehold Improvement Loans	<ul style="list-style-type: none">• 80% LTC• Term 5 years• 10-year amortization	<ul style="list-style-type: none">• 90% LTC• Term 12 years• 12-year amortization

Lower Interest Rates: ECLF is aware that affordability is always a challenge for charter schools, especially given flat per-pupil funding rates in certain jurisdictions. Based on the credit enhancement provided through an award, ECLF expects to provide below-market interest rates of between 5% and 6% on average, based on rates as of July 2021. These rates should be viewed in the context of the risk profile and enhanced terms of ECLF’s proposed loan products, which would require even higher interest rates from market driven lenders, who typically do not offer such financing in any event. Annual savings are calculated based on an average loan size of [REDACTED] for predevelopment loans, [REDACTED] for mini-permanent/bridge loans and [REDACTED] for leasehold improvement loans.

Interest Rates Savings

Product Type	ECLF Rate	Market Rate	Annual Savings
Unsecured Predevelopment Loans		[REDACTED]	
Mini-permanent/Bridge Loans			
Leasehold Improvement Loans			

Reduced Fees: It is ECLF’s standard policy to charge a 2% origination fee on all loans less than or equal to [REDACTED] since it takes the same amount of underwriting on small loans as it does on larger ones and often, the smaller loans are riskier and require greater reserves for losses. For all loans associated with the project, we will be reducing fees to 1%, thus saving schools considerable expense. Furthermore, we may allow schools to capitalize this expense.

A2. Project goals, objectives, and timeline are clearly specified, measurable, and appropriate for the purpose of the program. The goals and objectives below align with the purpose of the CE Program to provide grants to eligible entities to demonstrate innovative

methods of helping charter schools to address the cost of acquiring, constructing and renovating facilities by enhancing the availability of loans and bond financing. In alignment with the four statutory purposes for which reserve account funds may be used, ECLF will use an award to guarantee loans to charter schools.

Goal: It is ECLF's goal to leverage an award through the CE Program and credit enhance loans to charter schools. ECLF will provide low-cost, flexible loans to charter schools through three primary products: predevelopment loans, mini-permanent/bridge loans and leasehold improvement loans. ECLF's project will additionally be targeted to underserved charter schools, including schools led by leaders of color and early-stage schools.

Objective 1: Support high-quality charter schools in communities of need.

- Close 18 loans and deploy \$[REDACTED] in financing over five years.
- 75% of schools financed will serve a predominantly low-income population, as measured by 50% or greater eligibility for the federal free-and reduced-price lunch (FRL) program.

Objective 2: Provide financing to underserved schools.

- 50% of financed schools will be led by school leaders of color.
- 33% of financed schools will be early-stage, defined as having three or fewer years of operating history.

Objective 3: Leverage capital.

- ECLF will initially leverage an [REDACTED] and provide [REDACTED] in financing. Given project-level leverage assumptions, the award will leverage total development costs of [REDACTED], resulting in 11.7:1 leverage. These leverage ratios are prior to any recycling of funds. A detailed description of projected leverage is provided in A6.

Objective 4: Provide flexible criteria and terms.

- All loans will benefit from expanded underwriting criteria and terms, including higher LTVs and/or less restrictive security requirements, as described above in A1.
- Interest rates will be at least 100 bps below market rates for loans with similar terms and risk profiles.
- For mini-permanent/bridge and leasehold improvements loans, interest-only periods can extend beyond the construction period to reflect ramp-up in student enrollment.

Timeline: The chart below summarizes projected deployment of an [REDACTED] award and [REDACTED] in ECLF financing for the proposed loan products provided to 18 schools over the next five years, with all dollar amounts in thousands. Please refer to ECLF's Financial Model for additional detail.

Year	Predevelopment			Leasehold Improvement			Mini-Permanent		
	#	Loan	CE	#	Loan	CE	#	Loan	CE
2022	1	[REDACTED]							
2023	1								
2024	1								
2025	1								
2026	2								
Total	6								

A3. Project implementation plan and activities, including the partnerships established, are likely to achieve measurable objectives that further program purposes. To effectively execute on the objectives above, which further the purpose of the CE Program, ECLF's

implementation plan will leverage its existing lending infrastructure and relationships, particularly those with major charter school stakeholders, funders and support organizations.

ECLF Lending: As described in further detail below in C, Enterprise is one of the nation's largest community development organizations, consisting of a family of companies organized in three divisions – Solutions, Capital and Communities. ECLF is part of the Capital division, which benefits from 300 Solutions staff on-the-ground in 12 local markets who are connected and engaged with the local communities they serve. This local presence will give ECLF an advantage in marketing and deploying the loan products proposed in this application.

Having run a charter school lending program for over a decade, ECLF has existing staff, processes and procedures that we will use to effectively originate, underwrite, approve, close and asset manage charter school loans. ECLF has originated 15 loans totaling [REDACTED] charter schools. Furthermore, ECLF has seasoned staff, including Lori Chatman, Jon Clarke, Tim Martin, Katia Izyumova and Linda Sorden, who have decades of experience originating and underwriting loans to charter schools.

In addition, to grow and enhance its existing charter school program, ECLF hired Elise Balboni as Senior Vice President (SVP) of Strategic Initiatives & Capital Programs. Elise comes with many years of experience in the charter school sector. She built LISC's charter school facility financing unit in the early 2000's, in part by successfully obtaining and deploying three CE Program grants totaling [REDACTED]. In addition, Elise created several of the sector's go-to publications, including the *Charter School Facility Landscape* series and *Charter School Bond Issuance* series. She has the experience and successful track record to serve as an effective director for the proposed project.

Charter School Partnerships: Even with its large lending staff and robust charter experience, ECLF's efforts will be bolstered through partnerships. Through existing and new partnerships, ECLF will produce a successful implementation plan. The following organizations not only provide a regular pipeline of opportunities for ECLF, but also add to the eco-system of support for these schools, especially early-stage schools and schools led by leaders of color. This eco-system provides the supports and solutions schools need to succeed. These organizations among others, have provided support letters to ECLF, which are included in "Other Supplementary Attachments."

Building Excellent Schools (BES): BES and the BES Fellowship were created in 2001 to provide intensive, full-time training to individuals to create new charter schools of the highest quality. Fellows trained through BES' program have founded 200 schools. BES schools represent an excellent pipeline, both for early-stage schools and for schools led by leaders of color, as BES is strategically pursuing a diversity, equity and inclusion (DEI) lens to its work.

National Charter Collaborative: The National Charter Collaborative (NCC) supports single-site charter school leaders of color whose schools reflect their students and the cultural fabric of their communities. Presently, NCC serves over 500 single-site schools which are led by leaders of color and educate over 335,000 students nationally. As further described throughout the application, ECLF's project will target schools operated by leaders of color, an underserved segment of the charter school sector.

Equitable Facilities Fund (EFF): EFF seeks to transform capital access for schools and communities by providing low-cost, long-term, fixed-rate financing. EFF does this by leveraging philanthropy with tax-exempt bonds to provide streamlined and low-cost permanent loan solutions. Schools that need capital for predevelopment and early-stage schools which need

additional years of track-record before securing a permanent loan from EFF may be good candidates for loans from ECLF, allowing them time and flexibility to grow and scale to a permanent financing solution.

Georgia Charter Schools Association (GCSA): Founded in 2001, GCSA is the charter school membership organization for all of Georgia and is the only entity in Georgia that has as its sole purpose supporting and advancing Georgia's charter school sector. Georgia's charter school sector is burgeoning, with an estimated 5-7 new schools receiving approval annually. As they grow, many of these schools will need flexible and low-cost capital, in particular predevelopment and leasehold improvement loans.

Civic Builders: Civic Builders was established in 2002 to address the immediate need for charter school facilities support. By providing development and financing for charter schools, Civic Builders helps new charter schools open and growing charter schools reach more students. As a developer that works with many early-stage schools, Civic Builders regularly sees schools that struggle to pay for predevelopment costs or secure flexible financing options for leaseholds. Furthermore, many schools Civic Builders has worked with experience valuation challenges, forcing them to turn to higher-cost capital options or stall projects. ECLF's products could assist many of the needs of schools Civic Builders works with and serve as another source of pipeline.

Credit Enhancement Experience: ECLF has significant experience implementing credit enhanced programs targeted to specific outcomes and/or expanded underwriting boxes. As discussed in C, 51% of the number of loans and 46% of the dollar amount outstanding in our on-balance sheet portfolio have some form of credit enhancement from the CDFI Fund or private guarantors. Additionally, ECLF administers a number of off-balance sheet funds targeted toward transit-oriented development and/or affordable housing, and each of these vehicles is structured

with significant credit enhancement from public and private sources. For example, at the end of 2020, ECLF launched a national strategy to advance an Equitable Path Forward (EPF) for Black, Indigenous and People of Color (BIPOC) and Other Historically Marginalized (OHM) developers in the real estate and community development industry. As part of this initiative, ECLF capitalized a [REDACTED] special purpose entity to provide unsecured working capital and predevelopment financing to BIPOC and OHM developers. We were able to expand our underwriting box and raise capital for these under-capitalized developers due to a parent guaranty provided by Enterprise Community Partners.

Leverage Experience: Over our history, ECLF has leveraged its financing by 10x. Leverage on our credit enhancement awards from the CDFI Fund are at even higher levels. For example, we have applied for and successfully obtained four Capital Magnet Fund grant awards totaling [REDACTED] million in the last 5 years to support affordable housing development and leverage private and public capital in low income communities. We have leveraged our 2016 award 49x, our 2017 award 94x, our 2018 award 42x and are still deploying our 2019 award with more than 40x leverage to date. While the structure and requirements of the CE Program differ from the Capital Magnet Fund, we are confident in ECLF's ability to leverage award funds.

A4. The extent to which the project is likely to produce results that are replicable. ECLF has a robust research division that generates resources that are broadly employed across the community development field to encourage best practices. To better assess the impact of our capital and support in communities, Enterprise created the OPPORTUNITY360 framework, which identifies five key opportunity outcomes that reflect the positive change we seek to create: housing stability, education, health and well-being, economic security and mobility. This robust outcome data collection and analysis framework aligns with industry standards like the United

Nations' Sustainable Development Goals and the Global Impact Investing Network's IRIS+ impact measures. Our outcome measurement efforts are led by Enterprise's Knowledge, Impact and Strategy (KIS) team. The team is deeply involved in ECLF's varied initiatives, helping to identify opportunities for research, creating tools and resources for use in the field, cultivating key partnerships, and analyzing the short- and long-term impacts of our multi-faceted investment activity.

With an award from the CE Program, ECLF will demonstrate a model of successful lending to perceived risky unsecured or high LTV transactions and borrowers with short operating histories. ECLF will leverage its robust research and data systems to showcase an approach to underwriting that places a greater focus on qualitative credit metrics, in addition to quantitative metrics, that have proven to be strong alternative indicators of credit strength, particularly in lower-income neighborhoods which experience systemic disinvestment. ECLF is applying this approach in affordable housing through its Equitable Path Forward initiative, and we believe it is replicable in the charter school sector. Greater detail is provided in A5 and C3.

ECLF will utilize these research capabilities and commits to sharing outcomes and best practices from our experience implementing the proposed project with the charter sector through industry conferences and increased engagement with support networks like the Charter School Lenders Coalition (CSLC).

A5. Appropriate criteria to select charter schools and determine type/amount of assistance.

We outline our underwriting standards in C3. In addition to these standards, ECLF will use eligibility criteria and racial equity criteria to select charter schools for assistance and determine the type and amount of assistance to be given.

Eligibility Criteria: ECLF will use eligibility requirements to identify schools that could benefit from our loan products. These eligibility requirements minimally include service to schools led by leaders of color and early-stage schools. Through the project, ECLF will additionally seek to serve schools that operate in school districts with low achievement rates, outperform the peer district in academic proficiency and/or growth rates, meet the federal definition of a charter school, serve an FRL population of 50% or above and increase education options.

Racial Equity Criteria: In addition to these eligibility criteria, ECLF will include a racial equity lens in its project administration to assess whether schools are representative of their students and communities. This lens includes the following factors:

Board and staff diversity: The school board, leadership and staff are representative of the student population.

Parent engagement: Leaders actively implement strategies to engage and incorporate input from parents.

Mindful discipline: Specialists, counselors and teachers are trained to facilitate conversations between students with conflicts. These situations are resolved through restorative rather than punitive practices.

Culturally relevant curricula and intellectual contribution of people of color: Teachers actively seek out opportunities to introduce people of color who have made intellectual contributions to the concepts, content or ideas learned.

Social justice curricula: Teachers introduce concepts related to policies and issues that impact lives of the children in the school and the surrounding community.

Social-emotional support: Staffing levels for socio-emotional support professionals are appropriate for the requirements of the school.

Community Support: The school is reflective of community needs and engages in community outreach. There is support from community organizations, both partners and funders, in the form of complementary programming, enrollment support and philanthropic support.

Experienced Staff: ECLF has senior management, underwriting and asset management staff with significant experience underwriting and working with charter schools. We have attached resumes for these staff and discuss their charter school expertise in C4.

A6. Leverage of private or public sector funding and increase in the number and variety of assisted charter schools. We present three measures of leverage, as defined below, and detail our capital raising abilities in C2.

Direct Leverage: ECLF will directly leverage an award 5.4:1; for every dollar of CE Program monies awarded, we will provide [REDACTED] in financing. With an [REDACTED] award, ECLF will provide [REDACTED] million in financing over a five-year origination period. We have projected that we will originate [REDACTED] predevelopment loans, [REDACTED] mini-permanent loans and [REDACTED] leasehold improvement loans over this period. We plan to credit enhance our charter school portfolio on a pooled basis, with the enhancement made effective upon closing of individual loans up to the enhancement levels detailed in our financial model: 50% for unsecured predevelopment loans, 15% for mini-permanent/bridge loans and 20% for leasehold improvement loans. This means losses on individual loans will be credit enhanced up to the total amount of enhancement that has become effective. This structure aligns with ECLF's

commitment to lend to the most underserved schools and provide riskier loan products than otherwise would be provided absent an award.

Direct Project Level Leverage: ECLF's financing, in turn, will leverage other capital at the project level for schools. Based on an average total development cost of [REDACTED] for owned facilities and [REDACTED] for leased facilities, we project our [REDACTED] in financing will leverage [REDACTED] in total development costs for 18 charter school projects, a leverage ratio of 11.7:1.

Recycled Leverage: After loans are repaid, ECLF will be able to make new loans supported through an award. Over a 15-year project period, we project recycling capital employed in predevelopment financing three times, for an additional 12 loans, and recycling a portion of the capital deployed in mini-permanent/bridge loans, for an additional three loans. Due to the longer term of the leasehold improvement product, we have not assumed recycling of those funds within the project period. With these recycling assumptions, we will be able to serve an additional 15 schools. In total, over the 15-year project period, our requested [REDACTED] award will leverage [REDACTED] in ECLF financing, a leverage ratio of 8.4:1, on behalf of 33 school projects with total development costs of [REDACTED], a leverage ratio of 25.7:1. Please refer to our Financial Model for greater detail on our assumptions and projections.

Without an award from the CE Program, ECLF would not be able to provide the three loan products as structured, especially to support early-stage schools. As a result, ECLF's grant request will increase the number and variety of charter schools assisted in meeting their facilities needs more than would be accomplished absent the program.

A7. Service to charter schools in states with strong charter laws. ECLF takes into consideration the strength of a state's charter laws when financing a project. We analyze the

regulatory and funding environment as part of our standard underwriting practices, as discussed in C3. We employ rankings and assessments from independent, nationally-recognized charter school stakeholders. These comprehensive rankings, such as that provided by the National Alliance for Public Charter Schools (NAPCS), reflect the priorities as set forth in section 4303(g)(2) of the ESEA.

Our project will support charter schools nationally, with a focus in our 12 market areas, and we anticipate financing charter schools in states with strong charter laws based on our historic experience. To date, our charter school lending has been in states that fall within the top 50th percentile of states in the NAPCS ranking. We note, however, that we will not exclude schools solely based on location in a state with less favorable charter laws in keeping with our project strategy of providing equitable access to financing for smaller schools and schools led by leaders of color.

A8. Requested grant amount and project costs are reasonable in relation to the objectives, design, and potential significance of the project. ECLF's goal is to provide loan products tailored to the needs of charter schools who are presently underserved and perceived as risky. Our products include unsecured predevelopment loans, higher LTV mini-permanent/bridge loans and under-secured leasehold improvement loans. Our targeted borrowers include early-stage schools and schools led by leaders of color. The requested grant amount of [REDACTED] will allow ECLF to initially originate [REDACTED] in financing, leveraging [REDACTED] in total development costs for 18 schools and an estimated 7,100 students. With recycling of award monies and ECLF financing over a 15-year project term, these figures rise to [REDACTED] in ECLF financing leveraging [REDACTED] in total development costs for 33 schools serving 13,100 students.

As discussed in C2, ECLF's lending activities are self-sustaining, and we target grant funds to develop new products and expand our underwriting criteria to enhance impact. As such, we will not expend any portion of an award for direct or indirect administrative costs, and all [REDACTED] in award proceeds will be deposited with an FDIC-insured or other deposit account pursuant to program regulations.

B: Quality of Project Services

B1. Services to be provided reflect the identified needs of the charter schools to be served.

Financing Tools: ECLF's project will target schools who are underserved by capital providers, specifically early-stage schools and schools operated by leaders of color. Based on feedback from school leaders and charter school stakeholders, we have identified access to unsecured predevelopment, under-secured leasehold improvement, and higher LTV mini-permanent/bridge financing as the primary tools needed by these schools.

- Unsecured predevelopment loans will allow schools to assemble a high-quality team to assure the successful execution of a facility project. This team will consist of real-estate professionals, such as architects, lawyers and financial advisors.
- Under-secured leasehold improvement loans will allow schools to take advantage of lower-cost leased facilities and only pay for space appropriately sized for enrollment.
- Higher LTV mini-permanent/bridge loans will allow schools to preserve their cash by using loan proceeds to fill financing gaps that arise from differences between an appraised value and total development costs. This is a common issue faced by single site schools, particularly schools in smaller cities and rural areas.

Technical Assistance: Building a facility is not just about accessing capital but also about assembling an experienced team and successfully navigating the development process. As an

institution imbedded in the communities in which we work, ECLF will be able to provide localized technical assistance to school leaders. ECLF has experience working with nonprofits to navigate the development process and accessing complex public and private financial resources. ECLF's ability to work alongside school leaders through the development and financing processes further strengthens ECLF's investments and helps ensure successful project completion and financing repayment.

B2. Charter schools and agencies involved in project design and demonstrate support.

ECLF's project was developed based on feedback from charter schools and agencies as well as the experience of staff working with these groups. As mentioned in A3, ECLF's project is heavily influenced by feedback from BES and the National Charter Collaborative – two charter support/network organizations with deep ties to underserved charter schools.

BES is a training organization for charter school and other educational leaders. BES' signature program, its fellowship program, provides training and technical assistance to new charter school leaders to launch schools. BES leaders have founded approximately 200 schools in 46 cities across 20 states and Washington DC. Despite a long track-record of successful performance by BES-trained school leaders, the schools founded by individual fellows are start-ups, and these schools continue to face significant challenges developing and financing facilities. BES specifically identified predevelopment expenses and leasehold improvements as the most needed products for their fellows launching new schools.

The National Charter Collaborative (NCC) is the only nationwide network of charter school leaders of color. NCC provides its members a peer-to-peer network, consultancy services, a fellowship program and a national advocacy platform for key issue areas. This network uses its platform to highlight and reform inequities that exist in charter school funding

and financing. NCC has identified capital access generally as a challenge for its members. ECLF's program will focus on leaders of color who are underserved, and we will leverage relationships with organizations like NCC to finance and provide technical assistance to these schools.

ECLF has received ten letters of support for its project, including letters from BES and NCC, two from other charter support organizations, two from charter schools, two from other charter school financing funds which could potentially provide both referral pipeline and takeout of ECLF financing, and two from lenders to ECLF. These letters are included in "Other Supplementary Attachments."

B3. Cost-effective strategies, including the reasonableness of fees and lending terms. In addition to providing access to low-cost, flexible capital, ECLF understands that success for underserved operators also requires deep on-the-ground knowledge of markets and resources. ECLF's ability to leverage local knowledge and expertise, particularly in real-estate development and other community development resources, separates us from many other financial institutions, which do not have a local presence in the markets in which they work. ECLF will provide technical assistance at no cost to schools, and we will not charge any indirect fee on award funds.

ECLF will provide 1) lower origination fees on financing supported with an award than it typically charges, 2) lower interest rates than are otherwise available in the market, 3) more flexible loan terms and underwriting criteria, and 4) longer terms and amortization periods.

B4. Services that assist charter schools with likelihood of success and the greatest demonstrated needs. ECLF is targeting schools with the greatest demonstrated need, including early-stage schools and schools operated by leaders of color. This programmatic focus was

developed through outreach to charter schools and charter school stakeholders. As outlined in A1, ECLF is committed to providing:

- 1) Financing that is targeted to underserved schools, with half of schools supported operated by leaders of color and one-third of schools supported early-stage.
- 2) Products tailored for these underserved segments of the charter school sector, including unsecured, under-secured and high LTV predevelopment, leasehold improvement and mini-permanent/bridge loans.
- 3) Service to low-income communities and low-income students as measured by eligibility for the FRL program.

Despite serving borrowers with perceived higher risk profiles and providing unsecured and under-secured loan products, ECLF is confident in its ability to support schools that have a high probability of succeeding. ECLF combines a long-history of successful underwriting of community development investments, a decade of institutional experience underwriting charter schools as bolstered by recent staff additions, a robust on-the-ground market staff active in the local market and community, and connections with industry leading support organizations which can assist schools with additional support services. These factors will ensure that ECLF invests in charter schools with a likelihood of success and the greatest demonstrated need for assistance without incurring a material difference in loss rates.

Furthermore, in alignment with Enterprise's Equitable Path Forward initiative, ECLF will help identify risk mitigants and indicators of success that are currently unrecognized or undervalued in the underwriting process. We will track performance and impact data to validate this expanded view of credit and ultimately assist other lenders to expand their underwriting criteria to value community responsiveness and engagement equitably and not rely solely on

entrenched financial benchmarks that have created true barriers to entry and scale for schools led by leaders of color. As result, we will help create more equitable access to capital and contribute to greater responsiveness to community voices in the charter sector.

C. Capacity

C1. Amount and quality of experience. Founded in 1982 by urban visionary Jim Rouse and his wife Patty, Enterprise Community Partners, Inc. (Enterprise or ECP) is among the largest community development organizations in the country. Enterprise’s mission is to make home and community places of pride, power and belonging and to serve as platforms for resilience and upward mobility for all. Our three-pronged strategy to increase housing supply, advance racial equity, and build resilience and upward mobility is carried out through three divisions – Solutions, Capital and Communities – that unify and leverage a family of companies to execute our work. Enterprise has cumulatively raised and invested [REDACTED] to help build or preserve 793,000 housing units and develop 218 million square feet of commercial and community space. Enterprise’s track record is extensive and highly regarded, with an industry-wide reputation for delivering high-quality performance through roughly [REDACTED] in investments each year.

Established in 1990 as Enterprise’s CDFI affiliate, Enterprise Community Loan Fund strives to revitalize communities and create access to opportunity by financing affordable housing, community facilities – including charter schools – and commercial and mixed-use projects that provide essential foundations for healthy and sustainable communities. ECLF is governed by an eight-member board of directors, including Enterprise’s CEO and the President of Enterprise Community Investment (ECI). Our community development investments draw on the resources of 300 Solutions staff in 12 local markets throughout the country, as well as Enterprise’s other capital providers, including our New Markets Tax Credit unit.

ECLF has 30 years of experience assembling and deploying debt, equity and grant capital to provide [REDACTED] in financing for community development projects, and we have a 30-year track record of timely and full repayment to our investors. To date, ECLF's financing has leveraged total development costs [REDACTED] and helped support the development or rehabilitation of 4.5 million square feet of community space, creation of 19,000 seats in high-quality charter schools, enhanced access to health care through 576,500 patient visits and the development or preservation of 123,600 affordable housing units.

ECLF has extensive experience with federal and private credit enhancement programs. We are among the largest awardees of grants through several CDFI Fund programs over the past decade, receiving [REDACTED] in awards since 2010, including \$ [REDACTED] in Financial Assistance and related [REDACTED] Healthy Food Financing Initiative awards and [REDACTED] in Capital Magnet Fund awards. These grant funds from the CDFI Fund within Treasury allow us to provide more flexible financing and mitigate risk, purposes comparable to the CE Program. Each of these awards has stringent leverage and reporting requirements, which we have successfully met on all awards. For example, we have leveraged [REDACTED] in total development costs through our [REDACTED] in Capital Magnet Fund awards. We have also worked with private funders, such as The Kresge Foundation, which provide guarantees that enable us to originate more flexible financing. Currently, 51% of the number and 46% of the dollar amount of the outstanding loans in our on-balance sheet portfolio benefit from some form of guarantee or credit enhancement.

We also have more than a decade of experience financing charter school facilities. Under the leadership of Lori Chatman, ECLF's President, we have strategically and intentionally broadened our financing beyond affordable housing to encompass a spectrum of community-

focused activities, including charter schools, federally qualified health centers (FQHCs) and other community services, all of which are vital to the health and well-being of low-income residents. By aligning this comprehensive development with our affordable housing work, we are designing interconnectedness between quality housing, education and health care. Since 2005, when ECLF originated its first charter school loan, we have originated [REDACTED] financing for charter schools through 15 transactions, and today, roughly one-third of our outstanding portfolio finances charter schools, health clinics, and commercial and mixed-use projects in the communities we serve.

C2. Applicant's Financial Stability. ECLF maintains a strong and stable financial position more than a year into the COVID-19 pandemic. In 2020, Standard & Poor's Global Ratings (S&P) reaffirmed ECLF's "A+" issuer credit rating and noted its "very strong capacity to meet its financial commitments." ECLF also maintains a 4-Star Impact Management Rating and a "AA+" Financial Strength and Performance Rating from Aeris. Aeris' most recent rating report concluded that ECLF "has very strong financial strength, performance and risk management practices relative to its size, complexity, and risk profile" and "exceptional alignment of its impact mission, strategies, activities, and data that guide its lending, programs and planning."

We have key performance indicators that provide information needed for programmatic and financial planning. Management reviews performance monthly, and the ECLF Board reviews performance quarterly, with the following results as of fiscal year end 2020 (FYE20).

Balance Sheet Strength: At FYE20, ECLF had total assets of [REDACTED] and total net assets of [REDACTED]. Our goal is to maintain a minimum net asset ratio of [REDACTED]. Over the last 5 years, ECLF has maintained a ratio of [REDACTED] or higher. Despite the impacts of COVID-19 on our borrowers and our lending volume, at FYE20 we had a ratio of [REDACTED] primarily due to the

self-sufficiency of our lending activities, as well as CDFI Fund grants we received to serve as credit enhancement for our lending activities.

Self-Sufficiency: ECLF's lending operations have been self-sustaining over the last eight years, with revenues from core lending activities exceeding related expenses by 11% on average for the period between 2010 and 2020. ECLF's ability to achieve self-sufficiency, even during COVID-19's period of reduced activity, is due to our strong management of lending activities and operating costs. Because our lending activities are self-sustaining, we are able to target grant dollars for: 1) new products where the risk profile of the loans is outside the tolerance level of our capital sources, 2) reducing fees, and 3) building net assets to leverage additional private capital and increase lending capacity.

Capital Diversity: Throughout our 30-year history, ECLF has closed over \$ [REDACTED] in debt transactions. We have a long history of strong relationships with banks, insurance companies, public agencies, nonprofits, foundations and other capital sources. We were part of the inaugural issuances for the CDFI Fund's Bond Guarantee Program in 2013 and among the first CDFIs to access the public debt markets on a rated basis in 2018 with a [REDACTED] unsecured general obligation bond issuance. Additionally, we have issued [REDACTED] in unrated Impact Notes, which allow access to low-cost capital from high net worth individuals, brokers, fund managers and other impact investors. We also were among the first CDFIs to access the Federal Home Loan Bank system and have access to long-term financing through the Federal Home Loan Bank of Atlanta.

As of FYE20, ECLF had access to [REDACTED] in lending capital from 63 discrete investors, exceeding [REDACTED] in lending commitments, exclusive of other available cash. We closely manage our cost of capital and endeavor to draw on our lowest cost funds first.

ECLF also maintains several revolving lines of credit that provide flexibility to ensure appropriate levels of liquidity and support our ability to manage our cash position.

Liquidity: We have an internal policy to maintain unrestricted cash equal to no less than 4.5 months of cash operating expenses plus two times the average loan size. At FYE20, ECLF exceeded this requirement with roughly 18 months of operating cash to cover expenses, or 2.5x the policy. We also have access to [REDACTED] of revolving credit facilities that may be used to fund loans and working capital needs.

C3. Applicant’s ability to protect against unwarranted risk in its loan underwriting, portfolio monitoring, and financial management. Our loan underwriting, portfolio monitoring and financial management policies and procedures are documented in our Lending Standards and Guidelines (LS&Gs), which are approved by our Loan Committee and the ECLF Board and attached in “Other Supplementary Attachments.” The Board appoints all members of the Loan Committee, which is comprised of up to four senior staff members of Enterprise and up to three external members with expertise in credit and/or real estate development. All Loan Committee members possess numerous years of lending experience. The Loan Committee meets at least once a month or more often as warranted. The LS&Gs are extensive and regularly updated to reflect market conditions. S&P noted ECLF’s “Proactive loan-portfolio management with comprehensive underwriting guidelines; conservative reserve requirements; and strong interest-rate-risk oversight, which has helped sustain stronger loan performance and less repayment risk than some peers,” in its most recent ratings report.

Underwriting & Credit Approval Procedures: Each loan request is evaluated in accordance with the LS&Gs, with exceptions permitted where risks are mitigated via additional collateral, repayment options and/or underlying loan attributes or structuring. Our LS&Gs also

dictate how a loan is approved. Approval authority is delegated by the Loan Committee, with approval authorities based on loan type and loan amount per an approval matrix that incorporates the risk associated with various loan types relative to approval thresholds. All loan requests, regardless of size, are reviewed and approved for further action by ECLF's Chief Credit Officer.

Charter School Underwriting: Our charter school underwriting requires a review of the school's charter standing, academic performance, demand, organizational capacity, financial health, the regulatory and funding environment, and the facilities project itself. Because academic results are a key indicator of continued demand and the likelihood of successful charter renewal, we may require a third-party review of the school's academic performance and educational program by an industry expert. We review the school's enrollment history and projections. We compare school performance to the peer district and the state, as well as to other educational options within the district. For younger schools we analyze academic growth in addition to absolute proficiency percentages. We review attendance rates, retention rates and high school graduation and college matriculation rates, where appropriate. We consider the number of applications and/or the size of a school's waitlist as indicators of demand, and we analyze the school's demographic makeup in comparison to its peer district, including the percentage of students eligible for the free- and reduced-price lunch program. We also examine the extent to which the school is reflective of community needs and whether it engages in community outreach.

In terms of organizational capacity, we review the board's experience and independence, the experience and track record of senior management and any management organization, together with the school's success with teacher recruitment and retention. For financial health, we analyze affordability, debt service coverage and liquidity. As mission-driven lenders, we

want to ensure that the school's debt burden does not adversely affect its academic program, and we employ 20% of annual revenues as an upper threshold for facilities burden. We also analyze debt service coverage and review historic and projected revenues, along with the sources of revenue, including whether they are one-time or recurring. Lastly, we assess the school's liquidity, recognizing that charter schools are less likely to meet the 90-days cash-on-hand requirement CDFIs typically require for nonprofit organizations.

We review the statutory, funding and political environment in which the charter school operates, including the quality of the charter authorizer, recent and projected trends in per pupil funding – together with the existence of any dedicated facilities funding – and the general political environment. We assess how charter-friendly jurisdictions are and whether the charter sector has been able to grow or if the environment poses a threat to the school or loan repayment.

Lastly, we analyze the project and the financing consistent with the requirements for real estate development projects, in which we are well versed. We analyze the capacity of the development team, the estimated construction costs and the value of the collateral for the project. For non- or partially-amortizing financing, we stress-test our takeout sources, given different assumptions regarding interest rates and amortization periods to determine whether the school will be able to meet debt service coverage requirements for takeout financing at loan maturity.

Risk Rating & Reserves: Every ECLF loan is assigned a risk rating at the time of initial underwriting. The risk rating scale is a matrix comprised of seven ratings, each of which is characterized by three types of risks – Market, Sponsor and Repayment. Each rating correlates to a certain level of loan loss reserves, ranging from no reserve for loans rated a risk level “0” to a reserve of 100% of the loan amount for loans rated level “6” or higher. New loans are only originated at ratings of “3” and above, representing an acceptable level of risk, and we reserve

between 0% and 5% at the time of origination, depending on the initial rating. Ratings are reevaluated annually to ensure the characteristics of the credit remain consistent with the qualities defined for the risk category. In addition, a minimum reserve amount is set such that at no time shall the dollar amount of total loan loss reserves equal less than 2.5x the average loan commitment for the portfolio based on the previous rolling three-month average.

Portfolio Monitoring: We actively manage our loan portfolio, with ECLF's Chief Credit Officer and loan officers reviewing each project's status monthly for all delinquent and/or Watch List loans to determine if a change in risk rating or an adjustment to reserves is warranted. In addition, ECLF's Delinquency Committee meets monthly. ECLF also reviews every loan in the portfolio annually to assess the adequacy of risk ratings and reserves for each loan.

Reserves are increased if the loan is not performing as agreed and repayment may be impacted. In such cases, loans are downgraded and classified on the Watch List as either "Monitored" or "Credit Impaired." Loans within these classifications undergo a more frequent in-depth review, and a workout plan is developed. Progress on the plan is discussed monthly, with a written report evaluating progress provided to the Delinquency Committee on a quarterly basis. It is ECLF's policy not to restructure loans unless there is a viable repayment plan.

If the circumstances for a loan's delinquency or default warrant, ECLF may agree to grant forbearance, which does not extend the term of the loan, but instead outlines the terms under which we will agree not to exercise our rights and remedies in the event of default. For the purposes of delinquency reporting, past due loans with a forbearance agreement in place are tracked and reported on for a minimum of twelve months to demonstrate performance under the agreement. Thereafter, the loan may be restructured and/or written-off depending on the value of any collateral and realistic possibilities for collection.

Portfolio Quality: As of FYE20, our outstanding on-balance sheet loan portfolio totaled [REDACTED]. Our portfolio increased by [REDACTED] over the past five years, growing from [REDACTED] in 2016 to [REDACTED] in 2020. At FYE20, our loan loss reserves represented [REDACTED] of our on-balance sheet outstanding principal, while our cumulative 30-year historic loss rate was [REDACTED]. We have had no losses on our charter school portfolio, and our cumulative loss rate for unsecured lending is only marginally higher than the portfolio as a whole, at [REDACTED].

Recoveries exceeded write-offs in the past three years, with [REDACTED] written off between 2018 and 2020, and net write-offs of [REDACTED] and [REDACTED] in 2017 and 2016, respectively. Our 90-day delinquency rates equaled [REDACTED] in 2020, [REDACTED] in 2019 and 2018, and [REDACTED] and [REDACTED] in 2017 and 2016, respectively.

We should note that at FYE20, we had [REDACTED] in other on-balance sheet investments and [REDACTED] in off-balance sheet financing for an aggregate [REDACTED] in assets under management. In addition to our on-balance sheet portfolio, ECLF serves as fund manager for a number of off-balance sheet funds capitalized with a variety of public and private funds targeted toward transit-oriented development and affordable housing.

Portfolio Diversification: ECLF's portfolio is diverse in product type, asset class and geographic location. As of FYE20, acquisition loans represented [REDACTED] of the outstanding portfolio, followed by construction loans at [REDACTED] permanent loans at [REDACTED] mini-permanent loans at [REDACTED] bridge loans at [REDACTED] predevelopment loans at [REDACTED] and working capital lines of credit at [REDACTED]. Our LS&Gs currently limit the amount of unsecured and/or subordinate financing we can provide to the lesser of [REDACTED] of a combined net asset calculation that takes into account the resources of both ECFL and our parent, ECP. An award through the CE Program will enable us to increase this maximum and target ECLF financing to underserved schools.

In terms of asset class, while multi-family rental housing continued to represent the majority of the portfolio, other asset classes accounted for [REDACTED] including commercial/manufacturing loans at [REDACTED] educational facilities at [REDACTED] other community facilities at [REDACTED] and mixed-use projects at [REDACTED]. ECLF's [REDACTED] outstanding portfolio represents investments in 25 jurisdictions. The top three jurisdictions, each with more than [REDACTED] of the outstanding portfolio – New York, Maryland and California – total [REDACTED] of the total. The next three largest jurisdictions, each with more than [REDACTED] of the outstanding portfolio – Washington, Ohio and the District of Columbia – total \$ [REDACTED] of the total. The remaining [REDACTED] is invested in 19 states.

Financial Management: ECLF maintains excellent systems for tracking and reporting on the use of funds from public and private sources. Data points tracked include all relevant loan terms: dollar commitment, maturity date, interest rate, principal, interest due dates, draw period, type of investment (e.g., loan, EQ2), payment schedule (e.g., revolving, term, amortizing), parent guarantees, where relevant, geographical or programmatic restrictions, reporting requirements, social and financial covenants, notice requirements and events of default.

ECLF has invested significantly in technology and currently uses two platforms, Salesforce and Precision LM, for financial accounting, loan servicing and loan origination. Our origination platform allows a 360° view of relationships and transactions, and we use this platform to originate loans, manage documents, create closing checklists, track loan status, produce loan pipeline and capital management reports, as well as to generate loan production and impact reports.

Year-end financial statements are prepared by the Controller, reviewed by the Chief Financial Officer (CFO) and audited by a national accounting firm. Monthly operating statements, including a

variance analysis to budget, are prepared by the Controller and distributed to senior management. Quarterly financial statements are prepared by the Controller, reviewed by the CFO and submitted to ECLF's Board for review and discussion at quarterly board meetings.

Our Investment Policy divides cash into four distinct pools – operating cash, PRI cash (loans payable not yet disbursed to borrowers), temporarily restricted cash associated with grants and long-term reserves – each with defined risk tolerances, liquidity requirements and investment objectives. The Investment Policy assigns responsibilities, goals and objectives of the portfolio, guidance and limitations, and ensures that the portfolio is managed in accordance with applicable standards. Investments are made by ECLF's SVP & Treasurer and results are reviewed by the Board on a quarterly basis. Certain investments of long-term reserves require the additional approval of Loan Committee and/or the SVP of Strategic Initiatives & Capital Programs. Any changes to the Investment Policy require Board approval.

We manage cash to ensure that we always have enough capital to fund loans and meet covenants. We keep an eye on cash levels to minimize negative arbitrage given the current low interest rate environment. As noted above, we have access to [REDACTED] of working capital facilities and another [REDACTED] of loan capital, all of which is fixed and some of which may also revolve. We have an Interest Rate Risk Policy that provides guidelines for managing our asset-liability matching to prevent material exposure to interest rate movements. For example, we do not make loans with terms beyond the term of our capital unless we provide for a repricing when the matched capital matures. We have recently been successful in raising low-cost 10- and 15-year fixed-rate term capital, which is ideal for our anticipated charter school loan products.

C4. Applicant's expertise in education to evaluate the charter school's likelihood of success.

ECLF has provided [REDACTED] in facilities debt financing for charter schools since making

our first loan in the early 2000's and strategically expanding our work in the sector over the last decade under Lori Chatman's leadership. We have has originated 15 transactions on behalf of 12 high-quality charter schools, with a current outstanding debt portfolio of [REDACTED]. Our NMTC affiliate has also provided [REDACTED] in allocation for a high-quality charter school in Washington, D.C.

We combine internal and external expertise to evaluate the likelihood of a charter school's success. We have staff with decades of experience underwriting charter schools. These staff are well-versed in analyzing and interpreting absolute proficiency and growth indicators for charter schools with an academic track-record, and are familiar with key financial ratios and thresholds for the sector. They have also honed their understanding of the indicators of success for earlier-stage schools, including the prior experience of the leadership team, board membership and strength, the track record of any management organization, the school's plans to employ internal assessments of student learning to adjust curriculum and/or teaching pedagogy, and the strength of its community engagement and outreach.

As part of the work supported through an award and in alignment with our Equitable Path Forward initiative, we will be employing a racial equity lens to our charter school underwriting as another indicator of the likelihood of success. We will evaluate the extent to which the school staff, leadership and board are representative of the student population. We will also assess the strength of the school's diversity, equity and inclusion program, including parent engagement, mindful discipline, culturally relevant curricula, social justice curricula, social-emotional support and community support. In instances where we require additional analysis, due to the market, school age or student population served, we may engage charter school experts to provide a third-party review of a school's educational program and performance.

As discussed earlier, ECLF collects due diligence information in regard to the school's finances, academic performance, organizational and board structure, authorizing charter, and the real estate project in order to make an assessment. To ensure a comprehensive view of a school, its project and market trends, ECLF staff also draws on Enterprise's market staff to leverage existing contacts and relationships in 12 local markets. Having established and run a charter school lending program for the past decade, with no delinquencies or write-offs, ECLF has the institutional capacity and personnel with charter school expertise required to evaluate schools.

Elise Balboni, SVP of Strategic Initiatives & Capital Programs, was instrumental in the creation of LISC's charter school facility financing unit in the early 2000's. She was responsible for fund-to-fund investments in local charter school facilities funds and growing the charter school asset class within LISC's overall portfolio, with support from three grants totaling \$ [REDACTED] [REDACTED] from the CE Program. Elise developed and authored the original *Charter School Facility Finance Landscape*, which eventually transformed into LISC's *SchoolBuild* website for charter school stakeholders. She also co-researched and wrote the first two volumes of *Charter School Bond Issuance: A Complete History*. Most recently in her work as a consultant in 2020, she authored a refinancing guide and accompanying excel toolkit for charter schools as part of Idaho's *Communities of Excellence Project*, which was funded through a federal Charter School Program grant. During this period, she also worked with several charter school funds on their credit methodologies, fund structuring and underwriting. She is a current and past member of the BES board, and a past member of the SchoolPrint Advisory Committee.

Linda Sorden, a Senior Loan Officer with ECLF, has over 20 years of experience working with and underwriting charter schools. She built a national network of charter school contacts in her position as Vice President at NCB Capital Impact. Linda was instrumental in

creating and implementing the Technical Assistance Project for Charter School Facilities, the first national technical assistance program specifically designed to provide charter schools with the tools and resources necessary to develop and finance charter school buildings. She was also instrumental in establishing two offices to provide on-the-ground technical assistance in the states of Florida/Georgia and Minnesota/Wisconsin.

Katia Izyumova, ECLF's Director of Lending for the New York, Gulf Coast and Southeast regions, has over eight years of experience originating and underwriting sizeable and complex debt transactions involving stand-alone charter schools and large charter school networks. Over this time, Katia has developed a deep understanding of how to assess a school's operations and has built a network of relationships with a variety of industry stakeholders, including authorizers, trade associations, consultants and other experts in the field.

Lastly, both ECLF's Chief Lending Officer, Jon Clarke, and Vice President and Chief Credit Officer, Tim Martin, have more than a decade of experience with charter school lending. They have each served in these capacities since ECLF began ramping up its charter school activity in 2010 and have overseen the origination and management of [REDACTED] in debt financing with no delinquencies or write-offs.

C5. Adequate standards of conduct to prevent conflicts of interest. Enterprise requires trustees, directors, officers and employees to adhere to the high standards of business ethics, as outlined in our Business Ethics and Fraud Policy (Attached in "Other Supplementary Attachments.") Employees are expected to avoid conflicts of interest or the appearance of conflicts of interest that could conceivably influence an employee's judgment in handling Enterprise business or present an unfair advantage to suppliers, vendors, contractors or customers. Among other things, Enterprise's Business Ethics and Fraud Policy requires

disclosure of direct and indirect financial or other interests, mandates a disinterested decision-making process, and outlines corrective actions in the event of a policy violation.

In addition, our LS&Gs address “insider” loans, defined as direct credit extensions to entities that are (i) affiliated with a trustee, director, or officer of ECLF, ECP or ECI and/or any of their supporting organizations, subsidiaries, or affiliates or (ii) supporting organizations, subsidiaries, or affiliates of ECLF, ECP and/or ECI. Direct credit extensions to Enterprise affiliates are also deemed to be insider loans. The LS&Gs require that all extensions of credit to insiders must be underwritten on the same terms and conditions that are available to non-insiders and that all such loans be approved by the ECLF board and disclosed to the Chair of ECP’s Financial Review Committee, the Financial Review Committee and/or the Executive Committee and ECP’s full board.

D. Quality of Project Personnel

D1. Qualifications of project personnel, including relevant training and experience. ECLF has 40 staff members, including the project team described here, as well as other staff who contribute to lending, closing, asset management and capital raising for our charter school portfolio. In addition, ECLF draws on the full reach of the Enterprise family, including 300 Solutions staff in 12 local markets to source transactions. Resumes for the project team are attached, with descriptions of project responsibilities and charter experience included below.

President: Lori Chatman has more than 30 years of community development experience and has served as ECLF’s President since 2008. Lori provides strategic direction for all of ECLF’s financing activities, including charter school lending. In the wake of the Great Recession of 2008, Lori was charged with expanding ECLF’s lending program into education, health and economic development investment opportunities to more comprehensively address the

challenges faced by low-income communities. Lori worked with ECLF's Chief Credit Officer, Tim Martin, to create and implement the Charter School Lending Standards and Guidelines, and in 2010 the ECLF Board approved ECLF's expanded activity in the charter school sector. Lori brings deep credit experience in many asset classes within community development, including charter schools. Prior to joining Enterprise, she was the director of lending for the Calvert Social Investment Foundation (now Calvert Impact Capital), where she managed its portfolio of loans to CDFIs, community development corporations, community service organizations and international microfinance institutions. Lori began her community development career with NCB Development Corporation (now Capital Impact Partners), where she spent several years as a lender prior to assuming responsibility for the management and strategic direction of the organization's national lending programs for charter schools, affordable housing, community health care, and community and economic development. Lori serves as a board member of Appalachian Community Capital and the Baltimore Neighborhood Investment Fund. She also sits on the board for City First Enterprises (CFE), a long-time lender to charter schools. Lori is a member of Capital One's Community Advisory Council, Northern Trust's CDE Advisory Committee and Chase's New Market Corporation Advisory Board.

SVP of Strategic Initiatives & Capital Programs: Elise Balboni will serve as project director. Elise has prior experience with the CE Program, having served as director for three awards totaling [REDACTED] during her tenure with LISC. Elise joined ECLF in February 2020, and brings more than two decades of capital finance, community development and charter school experience. She most recently served as a consultant to charter school loan funds and CDFIs, serving as interim credit officer for one charter school loan fund, revising the risk rating methodology for another, and developing a refinancing guide and toolkit for a charter support

organization. From 2013-2018, she served as LISC's Managing Director for Lending. Previously, she served as a consultant for nonprofits and foundations in the area of charter school facility financing and as LISC's Vice President of Education Programs, where she had responsibility for oversight of LISC's charter school financing unit. Elise has played a major role in information dissemination and transparency for the charter sector, creating and co-authoring LISC's *Charter School Landscape* series and *Charter School Bond Issuance* series. She has also participated in numerous inaugural financing innovations, including the Bill & Melinda Gates Foundation's first domestic program-related investment in support of charter school facilities, the first Bond Guarantee Program issuance through the CDFI Fund and the first rated CDFI general obligation bond issuance.

Chief Lending Officer: Jon Clarke is responsible for managing loan production and a team of 13 comprised of credit analysts, loan officers and directors covering Enterprise's national footprint. With over 20 years of experience, Jon oversees the underwriting, structuring and closing processes, and reviews all loans prior to submission to the Chief Credit Officer and Loan Committee. Additionally, Jon leads implementation of new programmatic lending efforts, which will include ECLF's expanded charter school lending. Jon joined ECLF in 2010 as a loan officer after serving as a Senior Program Officer at Impact Capital in Seattle, Washington. Jon has been instrumental in developing partnerships with other charter school lenders to grow ECLF's charter portfolio and is familiar with evaluating charter school credits and optimal transaction structuring to meet the needs of schools.

Director of Lending: Katia Izyumova currently sources, underwrites and closes charter school loans for ECLF, and she will continue to play this role on an expanded basis for the project. Katia has eight years of experience originating and underwriting sizeable and complex

debt transactions involving stand-alone charter schools and large charter school networks. Prior to ECLF, Katia was a loan officer for Low Income Investment Fund, where she was responsible for underwriting and closing acquisition, pre-development, construction and permanent loans to support the development of charter schools, other community facilities and affordable housing projects. She had responsibility for managing LIIF's charter school and affordable housing portfolios. In her prior position at Seedco Financial, Katia gained experience with a range of commercial industries and small businesses to structure and underwrite complex transactions.

Senior Loan Officer: Linda Sorden is one of our loan officers with the greatest experience evaluating and underwriting charter schools and will be a key member of the team. Together, with Katia, Linda will have primary responsibility for structuring and underwriting loans for the project. Prior to her position with ECLF, Linda built a national network of charter school contacts in her position as Vice President at NCB Capital Impact. She was instrumental in creating and implementing the Technical Assistance Project for Charter School Facilities, the first national technical assistance program specifically designed to provide charter schools with the tools and resources required to develop and finance charter school buildings.

Vice President and Chief Credit Officer: Tim Martin is responsible for reviewing and approving loan transactions and for monitoring and managing the risks associated with the loan portfolio through oversight of a staff of 15 comprised of portfolio associates, asset managers and directors. Tim has over 25 years of banking, housing finance and community development lending experience. He was instrumental in developing the underwriting and credit guidelines for ECLF's charter school lending and has overseen the credit approval and monitoring [REDACTED] in closed charter school financing. Prior to joining Enterprise, Tim spent six years at Fannie Mae and served as the Director of Credit Risk for the Community Lending Group. In this

role, he was responsible for the approval of new housing-related construction participations and managing a debt portfolio of approximately [REDACTED].

Board of Directors: ECLF has an eight-member board consisting of three Enterprise-affiliated officers and five independent professionals from the community development, financial and philanthropic sectors. ECLF's board meets on a quarterly basis to review programmatic and financial performance, including ECLF's budget and quarterly financial statements. The Board is responsible for review and approval of ECLF's lending and investment policies and for overall strategic guidance. A list of ECLF's board members, with their tenure on the board, as well as individual member biographies, are attached in "Other Supplementary Attachments."

D2. The staffing plan for the grant project. ECLF is fully staffed to implement the project. ECLF has a staff of 40, including 14 in lending and originations, 16 in closing and asset management and 7 in capital raising and compliance. The expanded activity proposed in this application will be absorbed within this existing capacity, with no need to hire additional staff.

Project Oversight & Management: Elise Balboni, SVP, will serve as project director and oversee implementation and compliance with all award requirements. She will be assisted by Jon Clarke, Chief Lending Officer, and Katia Izyumova, Director of Lending. All three bring strong backgrounds in business development, relationship management and underwriting of charter schools. On a combined basis, Elise, Jon and Katia have over 50 years of business development and underwriting experience and have built strong relationships with charter school developers, community leaders, consultants, CDFIs and our financing partners.

Deal Sourcing/Underwriting: Senior Loan Officer, Linda Sorden, along with Katia Izyumova, will serve as the leads in sourcing and underwriting charter school transactions. They may be assisted by ECLF's other lending staff, many of whom are generalists. ECLF has

sourcing and underwriting capacity through on-the-ground staff in eight states (CA, CO, DC, GA, IL, MD, NY and WA). ECLF's lending team is highly seasoned, with over 100 years of collective underwriting experience. Additionally, our deal sourcing capacity is significantly expanded through the broader Enterprise platform. Over the last five years, nearly one-third of ECLF's lending opportunities came through referrals from the 300 market staff located across the country.

Approval Process & Credit: Supported by an experienced asset management team and a dedicated construction manager position, ECLF's Chief Credit Officer, Tim Martin will: 1) review charter school loan requests to assess whether they conform with lending guidelines or, if an exception is requested, ensure it is fully documented and there are considerations that adequately address and mitigate the associated risk; 2) assign charter school loans risk ratings; 3) determine the appropriate approval process; and 4) oversee portfolio monitoring and asset management.

Portfolio & Asset Management: Janlee Wimbrow, one of ECLF's Senior Asset Managers, will be responsible for ongoing management and servicing of charter school loans closed through the project. Each loan will be subject to a formal review on an annual basis to assess the adequacy of risk ratings and reserves. Janlee will be supported in this role by Darlene Hawkins, one of ECLF's portfolio associates who will be specifically assigned to support our charter school portfolio. In this capacity, she will facilitate closings, process disbursements and generally assist in loan servicing and monitoring.