



# NIAC Loan Fund

## AVAILABLE TO NIAC CALIFORNIA MEMBERS ONLY

NIAC has a small pool of funds available to make loans of up to \$50,000 to members. NIAC's long-term goal is to prove it is financially feasible to underwrite small, yet impactful, loans to the nonprofit sector. Our research suggests that the market does not offer loans at market-based interest to financially secure nonprofits. And, if loans are offered to organizations, the processing time takes up to one year! We believe that access to small loans could improve nonprofits' ability to serve their communities and increase their overall effectiveness. We are now inviting you to join us in proving to funders, financial institutions, the government sector, and others that making small loans to credit worthy nonprofits is both financially viable and the right thing to do!

These loans have a fixed interest rate of 6% interest with a loan origination fee from \$250 to \$500 (depending on the size of the loan). The loans will have a term of up to 12 months. Review and approval of the loan is expected to take less than five weeks. If your organization could benefit from this service, please email [Nloan@insurancefornonprofits.org](mailto:Nloan@insurancefornonprofits.org)

## ***Frequently Asked Questions***

**Q1: Will my organization be charged if our loan is not approved?**

A1: No. Your organization will be charged the origination fee only if approved.

**Q2: How long will it take for our organization's loan to be approved?**

A2: You should know about the outcome of your loan request within a month from submission of a complete loan application.

**Q3: How much will this loan cost my organization?**

A3: The loan application is \$250 for loan requests up to \$25,000. A \$500 application fee will be applied to loans \$25,001 - \$50,000. Loans will have a 6% fixed rate of interest. For a 12-month \$50,000 loan, the total interest payment will be \$3,000. In total, this loan will cost your organization \$3,500 (\$3,000 interest and \$500 application fee).

**Q4: May we borrow and pay back multiple times during the life of the loan?**

A:4 Unfortunately no. Your loan will fund once and then will convert to a payment schedule.

**Q5: What if we do not have collateral?**

A5: NIAC Member Loan Funds are uncollateralized, so there is no need for collateral.

**Q6: What if we already have a loan?**

A6: It's ok if you have another loan. We recognize that nonprofits have debt for a variety of reasons, including building mortgages, lines of credit etc.

**Q7: Can I use these funds for a start up organization?**

A7: The loan funds may only be used by organizations with a minimum of four years of operations.

**Q8: Does the request for credit have any effect on my insurance with NIAC?**

A8: No, the evaluation for credit and insurance are separate processes.