

# GENESIS COMMUNITY LOAN FUND

## PROSPECTUS

THE GENESIS FUND, INC., dba Genesis Community Loan Fund (“The Fund”), is a tax-exempt, nonprofit community development financial institution organized in 1991 for the purpose of providing resources to projects that create housing and economic/social opportunity for underserved people and communities throughout Maine. The Fund accepts grants and loans from individuals, private and public foundations, religious organizations, corporations and others. It then pools the proceeds of those grants and loans with other Fund income to make loans for the benefit of projects consistent with its purposes.

The Fund is chartered in the state of Maine to aid local nonprofit institutions—such as community development corporations, community land trusts, housing authorities, community action agencies and social service agencies—in developing decent housing for needy families and individuals, and in promoting their self-sufficiency. Loans are made for predevelopment, land acquisition and improvement, construction and rehabilitation, and similar purposes. Bridge loans are available to hasten the development of a qualifying project. Before providing development financing, loan fund staff help to develop workable plans for using and repaying borrowed capital.

The Fund is a certified Community Development Financial Institution (CDFI) under the U.S. Department of the Treasury’s Community Development Financial Institutions Fund (CDFI Fund). This means that the organization meets CDFI eligibility requirements relating to the organization being a legally existing entity, having a primary mission of promoting community development, principally serving and maintaining accountability to an eligible target market, being a financing entity, providing development services, and not being either a government entity or controlled by a government entity. Certification does not constitute an opinion by the CDFI Fund as to the effectiveness or financial viability of the certified organization.

As a member of the Opportunity Finance Network (OFN), the Fund has access to research and training, technical assistance, and many kinds of professional advice and information. However, OFN neither guarantees the performance of the Fund, nor insures or guarantees any loans made for or by the Fund.

The Fund asks that you give careful attention to the general terms, conditions, and policies described on the following page, which apply generally to all loans and grants made to the Fund.

General Terms, Conditions and Policies:

1. To the extent that the proceeds of loans or grants made to the Fund are not immediately used for financing projects, the Fund reserves the right to deposit such proceeds into a bank account and/or Certificate(s) of Deposit bearing interest at market rates. These proceeds may be mixed in with the proceeds from loans, grants, and donations to the Fund and other income of the Fund.
2. The Fund agrees to use the original principal amount of any loans made to the Fund only for the purpose of providing financing to projects consistent with its mission. The Fund reserves the right, however, to use any interest or other income earned with respect to the original principal for any of the Fund's corporate purposes and needs, such as paying interest due on loans made to the Fund, paying the Fund's administrative and operating expenses, making loans for projects and establishing or contributing to an endowment fund for the Fund.
3. Your loan to the Fund is at a below-market interest rate; the Fund understands that you have agreed to charge such a rate in order to assist the Fund to pursue its goal of providing resources to projects that create housing and economic/social opportunities for the disadvantaged in Maine.
4. The interest rate charged by the Fund on the loans it makes to finance projects may bear no relationship to the interest payable to you under your loan. The Fund reserves the right to determine the interest rate it charges based upon a given project's needs for funds, its ability to pay, the Fund's overall cost of funds and similar factors.
5. Although the Fund intends to use the proceeds of your loan to provide financing for projects, you will have no legal or other right to look to any such project for repayment; your only recourse for repayment of your loan will be against the Fund.
6. Your loan is not secured by any state or federal agency. Your loan is of a recourse nature (i.e., the Fund has a legal obligation to repay you out of the Fund's corporate assets); the Fund is not granting you a security interest in, a mortgage on, or pledge of any property or collateral. The Fund will, however, hold a security interest in property that is being developed with loans from the Fund. Your security is the legally binding promise of the Fund to repay you; the Fund will evidence that promise by delivering to you its Promissory Note.
7. As a general policy, the Fund often asks its lenders to extend, or roll over, their loans at maturity. The Fund will not assume, however, that you have agreed to extend your loan without your express prior written consent.
8. The Fund will provide you, at least once a year, with a written report of the Fund's activities.