



Everything a prospective borrower needs to know

What can loans from the Genesis Fund be used for?

- project predevelopment
- property acquisition
- construction
- leasehold improvements
- rehabilitation
- working capital

What are the Genesis Fund's lending criteria?

Genesis evaluates all applications and applicants on the basis of:

- Organizational Capacity: Ability of the applicant to complete the project with available resources
- Financial Soundness: Fiscal condition of the organization, credit history
- Project Feasibility: Ability of the applicant to repay loan
- Collateral Position

What kind of projects does the Genesis Fund support?

The Genesis Fund's mission calls us to support projects and organizations that:

- Contribute to community life
- Strengthen the economic base of low income communities
- Embody ingenuity and frugality
- Guarantee long-term affordability and accessibility for low income households
- Combine affordable housing with needed social services for groups such as the frail elderly and low income single parents and their children

"Genesis has been able to connect us with resources and funding in concrete ways... Most of us on the islands are so busy working that we don't have the extra time to find ways to get the funding and support we need to help the island community. That's where Genesis has really been able to deliver."

-- Doug Boynton, President of Monhegan Island Sustainable Community Association

Loan terms, loan limits, and interest rates:

Terms: Genesis provides short and medium term loans (three months to 10 years) as well as a limited number of long term loans (greater than 10 years). The loan capital available and the specific needs of the project in question govern the term in any particular case.

Limits: The minimum loan amount is \$5,000. The maximum loan amount varies according to total loan capital available. For more information on loan terms and limits, contact Genesis Fund staff.

Rates: The Genesis Fund sets parameters for interest rates that are tied to the cost of funds and other recognized industry benchmarks. Within these parameters, the interest rate of a particular loan is based on the degree of risk, the needs of the borrower, and the transaction time associated with origination and monitoring. Contact staff for current rate information.

Loan repayment

In establishing a repayment schedule, Genesis reviews the term of the loan, proposed source of refinancing or takeout, the ability of the project to generate positive cash flow, project financing, and available collateral. Depending on these factors, repayment options include:

- Interest only with a balloon payment: the borrower makes equal monthly payments covering current interest; principal and any remaining interest are paid off in a lump sum at the end of the loan term. This option is available for short-term loans only.
- Partially amortizing with a balloon: equal monthly payments that partially reduce the loan over its term; the remaining amount is paid off in a lump sum at the end.
- Fully amortizing: equal monthly payments that completely pay off the loan balance over the term of the loan.

Costs and Fees

Genesis charges an origination fee of one percent (1%) of the loan amount or \$200, whichever is greater. Genesis makes every effort to minimize additional fees. However, costs associated with loan processing will be passed on to the borrower.



FAQ about borrowing from Genesis

Who is eligible to receive a loan from Genesis?

Nonprofit organizations providing services in Maine are eligible for assistance. In addition, for-profit entities pursuing housing and facilities projects with significant public benefit may be eligible. Genesis does not lend to individuals.

Does Genesis make grants?

Genesis does not make grants but offers organizations assistance in obtaining grants from other sources.

Where does Genesis get its money?

Genesis relies on low-interest investments and donations from individuals, religious organizations, foundations, banks and other institutions to build the loan fund – we then re-lend these funds to qualifying projects.

Why should my organization work with Genesis?

Genesis has the reputation of being resourceful, creative, committed and responsive. At Genesis, the question is not “will this project work?” but rather “how can we work with others to make this project work?” Genesis has a proven record of working with communities and organizations to develop and implement successful projects that directly benefit Maine people.

How is Genesis different from a bank?

Genesis focuses on meeting the needs of community-based organizations that serve Maine’s most vulnerable populations. As a private nonprofit Genesis can be more nimble and creative in responding to the diverse needs of potential borrowers. The primary concern at Genesis is making a project work in a manner that best meets the needs of the community being served. As appropriate, we partner with banks and other development professionals.

How can my organization get a loan from Genesis?

The first place to start is to contact Genesis Fund staff at 207.563.6073 to discuss project and its financing needs. If the project is in line with our mission and is likely to meet the criteria for financing, staff will work with you to complete the application process. Also, visit www.genesisfund.org for more detailed information about our lending.

How long will it take to get a loan?

This varies depending on the borrower’s ability to provide the information required to complete a loan request. In the past, we have closed loans in as little as two weeks.

What are some examples of projects you have lent to?

A comprehensive list of projects we have supported may be obtained at www.genesisfund.org or by contacting us at 207.563.6073. Here are a few examples:

Bangor

- \$300,000 acquisition loan to Penquis Community Action Program to support development of Northside Family Housing, a 28-unit affordable housing development with a community center.

Portland

- \$190,000 in construction financing to Bayside Neighborhood Association to finish renovations to a single-family home for an income-eligible homebuyer

Damariscotta

- \$275,000 acquisition loan to Coastal Kids Preschool to acquire property to establish a permanent home and space for one-on-one therapy for children with special needs

Monhegan

- \$100,000 acquisition loan to Monhegan Island Sustainable Community Association to purchase a village property that will support two affordable homes



In June 2006, Portland’s Bayside Neighborhood Association celebrates its project at 63 Myrtle Street, a historic house saved from demolition and sold as an affordable home to a first-time buyer.