Catalyst Term Loan

The Catalyst Term Loan supports energy improvement projects for low- and moderate-income multifamily properties and community based non-profit organizations.

This loan provides unsecured financing for new construction and renovation projects, including:

- Energy efficiency or renewable energy improvements,
- Performance monitoring and verification, and
- Health and safety remediation

Loans are repaid from energy cost savings for terms up to 20 years.

Who is eligible

- Income eligible for-profit and non-profit multifamily properties and non-profit organizations
- Project sponsors who would, in turn, make a loan to an LLC or Partnership

Financial requirements/restrictions

Financing is unsecured for existing buildings, provided the minimum Energy Savings Coverage Ratio (ESCR) has been met (projected annual energy savings divided by debt service). Evidence of cash flows sufficient to make interest payments on loan must be provided by borrower.
### Property Qualifications

**Multifamily Properties**
- Residential or mixed-use properties with 5 or more residential units
- Properties must serve low-to-moderate income (LMI) residents, which is defined as 60% of households having incomes no higher than 80% of area median income (AMI).
- Properties with a higher percentage of higher income residents may be considered based on a region’s broader community development goals

**Non-Profit Entities**
- Proof of tax-exempt organization status

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### Project financing terms

<table>
<thead>
<tr>
<th>Type</th>
<th>Affordable multifamily or non-profits, unsecured</th>
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<tbody>
<tr>
<td>Rate</td>
<td>Treasury rate + 350bps (subject to underwriting), with a floor at 6.25%.</td>
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<td>Loan term</td>
<td>Up to 20 years</td>
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<td>Origination fee</td>
<td>3.00% upfront (may be rolled into loan)</td>
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<td>Underwriting criteria</td>
<td>Solar-only projects: Minimum of 1.20x</td>
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<td>All other projects: Minimum of 1.30x</td>
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<td>Projected energy savings to be verified by a qualified third-party service provider approved by IPC.</td>
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<td>Property must demonstrate positive NOI inclusive of savings from energy improvements, demonstrating a DSCR of at least 1.10x based on trailing 18 months.</td>
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<td>Capital/replacement reserves in an amount of not less than 25% of IPC’s loan principal amount must be in place.</td>
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For more information, contact John D’Agostino at john.dagostino@inclusiveteam.org or call 203-433-5060.

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Inclusive Prosperity Capital, Inc. is a not-for-profit investment fund scaling energy financing solutions that channels investment capital to program partners in communities that need it most. We believe everyone should have access to the benefits of clean energy. We can change the conversation in underinvested neighborhoods and underserved markets, helping to deliver Inclusive Prosperity.

Michigan Saves is a nonprofit organization dedicated to making energy improvements easy and affordable. We operate as a green bank to offer financing programs that help Michigan residents take control of their energy costs through efficiency and renewable projects. For more information, visit [www.MichiganSaves.org](http://www.MichiganSaves.org).