




A Foundation of
Philanthropic Funds

A group of people in red jumpsuits are rappelling down a modern building's facade. They are suspended by ropes and harnesses, with their bodies in various dynamic poses as they descend. The building has a complex, angular architectural design with many windows and structural elements. The scene is set against a clear sky, and the overall tone is one of action and adventure.

FJC's Agency Loan Fund

A Nimble Resource for Dynamic Nonprofits



“FJC provided us a \$3.5 million acquisition loan to secure our permanent home that will be transformed into central hub of its programs serving youth and immigrant families.

Without FJC’s efficiency and speed, Life of Hope could have lost the opportunity to develop this site.”

Porez Luxama, Executive Director,
Life of Hope



“From help in purchasing our own building, to investment in new equipment and sets, to day-to-day cash flow management, FJC’s Agency Loan Fund has been an invaluable resource for STREB Inc. These loans afforded us the gift of time, allowing us to build our infrastructure and our artistic and educational programs to serve more people.”

Elizabeth Streb, Founder, STREB Inc



“Having the lending relationship endure with FJC after we left its fiscal sponsorship program was an exciting next step in our maturation as an organization.”

Jon Adam Ross, Co-Founding Artist & Executive Director, Inheritance Theater Project



“Thanks to FJC’s bridge loan, we were able to continue our mission of defending low-income New Yorkers in court, while buying enough time to secure a new line of credit. The loan kept our doors open at a time when we thought we might have to turn away New Yorkers in dire need of our services.”

Juval Scott, Executive Director, The Bronx Defenders



“We sought a lender experienced in public grants with a streamlined process to support our collateral and found that partner in FJC. The revitalization of the Forest Hills Community Center will ensure the Center’s service to Queens for generations.”

Ben Thomases, Executive Director, Queens Community House



“The experience of taking loans from FJC has been extremely pleasant and easy. With FJC’s loan, India Home took its first steps into housing through innovative community spaces for elders and affordable senior housing in Queens.”

Dr. Vasundhara Kalasapudi, Executive Director, India Home

General Terms of FJC Loans

- Loan sizes range from \$10,000 up to \$4 million.
- Borrowers typically use proceeds for capital projects, to bridge contract or grant receivables, to even out cash flow or address short-term needs.
- Terms up to 5 years.
- Interest rate is Federal Prime Rate + 3.0% on a floating basis.
- FJC typically does not charge closing fees or legal fees. There are no prepayment penalties.



Features of FJC Lending Program

- Quick decision-making. Though every loan is different, FJC can typically respond to applications and move to close within a few weeks.
- Borrowing costs partially offset by the fact that in most cases FJC does not charge closing or legal fees.
- All interest and principal payments are recycled for philanthropic purposes.
- FJC's Agency Loan Fund has advanced over \$280 million in loans to over 200 non-profit organizations globally.



Case Studies



India Home is a non-profit dedicated to supporting and empowering the South Asian and Indo-Caribbean senior immigrant community through culturally competent programming and activities. FJC has made several acquisition loans to India Home to secure both a central community hub as well as an innovative co-living space for isolated seniors to live together.



STREB Extreme Action Company in Revolution. Choreography by Elizabeth Streb - Photo by Dan Lubbers.

STREB Inc. thrills audiences around the world with choreographed feats of physicality and boundary pushing dance performances. Founded by the MacArthur "Genius" Award winner, Elizabeth Streb, The STREB Lab for Action Mechanics (SLAM), in Brooklyn is also home to the STREB PopAction School and the España-Streb Trapeze Academy, offering classes to children and adults. FJC has made multiple loans to STREB to bridge receipt of contract receivables.

Case Studies



Photo courtesy of The Inheritance Theater Project

The Inheritance Theater Project works with intergenerational, intersectional, and interfaith communities to build relationships across divides through collaborative theater projects inspired by shared cultural touchstones. Following a surge in demand from community partners for collaborations with the Inheritance Theater Project, the organization needed working capital to bridge the timing gap. With FJC's bridge loan, the organization could scale up quickly while maintaining the high quality of their collaborations and productions.



Photo courtesy of The Bronx Defenders

The Bronx Defenders is a public defender nonprofit that has pioneered a ground-breaking, nationally recognized team-based model of representation that connects clients to an interdisciplinary team of lawyers, social workers, and advocates. When delayed city funding caused BxD's commercial bank to decline a request to renew their line of credit, FJC stepped in to provide a \$4 million bridge loan, giving BxD some breathing room as it secured a banking relationship with a new financial institution.

Case Studies



Photo courtesy of Queens Community House

Queens Community House (QCH), one of the borough's largest social service organizations, serves over 25,000 children, youth, adults, immigrants, and older adults each year. FJC's loan facilitated the buildout of a new annex for its Forest Hills Community Center..



Life of Hope is a community organization that serves over 65,000 youth and immigrant families with an array of services, while also championing the legacy and contributions of Haitian Americans in the Diaspora. A \$3.5 million loan from FJC helped the organization bridge public sector capital grants, enabling the organization to acquire a property that will be transformed into the central hub of its programs.



APPENDIX:

Frequently Asked Questions

What is FJC?

FJC – A Foundation of Philanthropic Funds is a boutique public charity that offers a diverse menu of philanthropic services to a range of stakeholders. With over \$425 million under management, FJC is primarily a platform for Donor Advised Funds (DAFs). In addition to DAF accounts, its over 1,200 accounts include fiscal sponsorships, collective giving accounts, and many other philanthropic vehicles that enable nonprofit organizations and their supporters to achieve their missions.

FJC is a lender too?

Yes, FJC originates loans to nonprofits through its Agency Loan Fund, an impact investment vehicle for donor capital. When donors set up a DAF account, they make a charitable contribution to FJC, and then they can make recommendations both about how those resources are deployed as grants, and how the assets are invested for growth in the meantime. The Agency Loan Fund is one of several options that FJC offers its donors for how their funds are invested, and many donors choose the Agency Loan Fund because it allows their accounts to grow while being invested for impact in nonprofit organizations.



What is the process to be approved for an FJC loan and how long does it take?

The process begins with a potential borrower's submission of FJC's standard loan application. An FJC committee comprised of board and staff generally meets with a loan applicant's representatives to review the application, including the organization's financial statements, staff and board of directors, description of available collateral, and to discuss the structure of the potential loan. FJC's boutique nature allows it to make decisions quickly with minimal layers of bureaucracy. The loan committee considers: the cost and viability of the project; the applicant's ability to manage the loan's debt service and maintain operations; the organization's ability to repay the loan in full; the applicant's capacity to manage the project, with in-house or outside expertise. A borrower's plan to repay cannot be dependent on fundraising.

What kind of collateral does FJC require?

Agency Loan Fund loans are nearly always secured by collateral, which could take the form of a property mortgage (if available), proceeds from public sector grants or contracts, or other assets. Depending on the quality of the collateral, FJC may request guarantees from affiliated entities or individuals (like Board Members). If the prospective borrower has other lending relationships, a loan from FJC may be subject to an intercreditor agreement with those lenders that "carves out" a particular asset or group of assets as FJC's collateral.



Does FJC ever originate loans at below market interest rates? Or unsecured loans? Forgivable loans?

FJC has a fiduciary duty to donors that provide capital to the Agency Loan Fund pool, so we underwrite loans to rigorous credit standards, and our loans carry a market rate interest rate (Prime +3%). However, occasionally donors request that we deploy funds in their donor advised fund accounts as loans that are more concessionary in nature. In this case, the donor is motivated primarily by impact (willing to take a below-market return, relative to risk) and the goal of supporting a particular organization. Sometimes a nonprofit brings a donor to FJC with the express purpose of originating a Customized Loan. In these cases, the donor opens a DAF account at FJC, funds the account with a philanthropic contribution, and then recommends a low-interest loan to a nonprofit, primarily motivated by mission impact. Please let us know if you have a donor that would collaborate with FJC to create this kind of loan resource for your organization.

What makes a good FJC borrower?

We are looking for organizations that are led by passionate and capable managers who are dedicated to executing on their organizations' missions. Organizations need not necessarily have borrowed money before, but they must demonstrate sound fiscal management. In addition, borrowers must take their obligations seriously and be proactive in communication if any issues arise that may put timely payment of interest or repayment of loan principal in jeopardy. Core to FJC's mission is stewarding the philanthropic resources on behalf of our donors, so we expect our borrowers to fully stand by the obligations negotiated in our loan agreements.

Thank You

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