



CASE STUDY

The Tenement Museum

Loan Type:

Mortgage Refinancing (Concessionary)

Source of Capital:

Anonymous Donor

ABOUT

The Tenement Museum

The Tenement Museum is a nonprofit cultural institution that welcomes visitors and K-12 students into the historically recreated homes of immigrants, migrants and refugees. In their two historic tenements, The Museum shares the stories of diverse families with roots all over the world to inspire connections between the past and present and to build a more inclusive and expansive American society.

Overview of the Transaction

Financing Need

During the Covid-19 pandemic, the Museum encountered financial difficulties when visitors dropped off, depriving them of a major revenue stream. Meanwhile their mortgage required them to pay debt service payments of \$50,000 per month.

Credit Considerations

Reading about the Museum's struggles in a *New York Times* article, an anonymous donor at FJC stepped forward to inquire whether idle funds in his DAF account could be used to refinance the Museum's mortgage at a below market rate of interest. On the donor's behalf, FJC purchased the mortgage bond from the bond holder and modified the terms of the mortgage for five years, reducing the museum's annual debt service payment from \$585,000 per year to \$80,000

Summary of Loan Terms

\$9 million, interest-only at 1% for five years.





TESTIMONIAL

“We are paying \$2.5 million less out of pocket for debt service over these five years. This has bought us time to figure out how we managed through the pandemic years, but it also freed us up to think of creative ways to operate.”

Annie Polland

Executive Director, The Tenement Museum



One component of FJC's mission is to inspire more donors to use their philanthropic funds in ways that meet the critical business needs of nonprofits. We welcome the opportunity to work with your donor to arrange a customized solution that works for both the donor and your organization.

For more information, please contact:

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