LISC Social Bond Framework

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Contents

The Methodology of the Social Bond Framework

LISC is issuing Impact Notes in conformance with the Social Bond Principles as of June 2021 (with June 2022 Appendix 1) and as promulgated by the International Capital Market Association ("ICMA"). By reference to the ICMA's "Green and Social Bonds: A High-Level Mapping to the Sustainable Development Goals," LISC's Social Bond designation also aims to further certain of the **United Nations 17 Sustainable Development Goals and Targets** ("UNSDGs"), specifically:

End poverty in all its forms everywhere

1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance

1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters

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End hunger, achieve food security and improved nutrition, and promote sustainable agriculture

2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round

2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality

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Ensure healthy lives and promote well-being for all at all ages

3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all

4 QUALITY EDUCATION

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes

4.2 By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education

4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

4.6 By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy

4.A Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all

7 AFFORDABLE AND CLEAN ENERGY

Ensure access to affordable, reliable, sustainable and modern energy for all

7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

8 DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services

8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training

8.9 By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products

8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all

9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets

9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

10 REDUCED INEQUALITIES

Reduce inequality within and among countries

10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard

11 SUSTAINABLE CITIES AND COMMUNITIES

Make cities and human settlements inclusive, safe, resilient and sustainable

11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums

11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons

11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries

11.4 Strengthen efforts to protect and safeguard the world's cultural and natural heritage

11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities

11.A Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns

12.B Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products

The UNSDGs were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. An investment in Impact Notes allows investors to invest in social impact projects in underserved communities in the United States.

LISC's Social Bond Framework (Framework) process follows best market practices and is compliant with the Social Bond Principles.

1 Use of Proceeds

LISC will use the proceeds of the offering for general corporate purposes, including as capital for loans made by LISC and its affiliates, and to pay for offering expenses and sales commissions.

LISC dedicated $10,000,000 of the proceeds from the sale of Notes during during each of the 2020–2021, 2021–2022 and 2022–2023 offering periods to support Project 10X. Additionally, for our 2023–2024 offering, LISC is dedicating up to an additional $10,000,000 of the proceeds from the sale of Notes to support its Project 10X, under which LISC will invest in building equity and wealth for Black, Indigenous, and People of Color ("BIPOC"). Project 10X may include investments in, among other things, homeownership and small business ownership, investing in community assets and wellbeing, and supporting quality jobs with good wages and benefits ("Project 10X"). LISC expects to use these proceeds, along with grants, partner contributions, loans and other capital raised to support Project 10X to address critical elements to close the racial health, wealth, and opportunity gaps in the United States.

For the 2023–2024 offering, LISC estimates that it will receive net proceeds ranging from approximately $90,783,950 to $92,837,914 if the $93,362,000 total aggregate principal amount of Notes remaining available for purchase as of August 31, 2023 is sold. The proceeds will be used to finance a variety of loan products to nonprofit organizations, mission-aligned for-profit businesses and small businesses developing, operating in, or supporting affordable housing, health, education, community and recreational facilities, commercial facilities, the creative economy, employment and other projects that seek to forge resilient and inclusive communities across America or benefit low-income individuals and families.

LISC believes that an opportunity gap—reflected in disparities in health and well-being, employment, wealth and financial security, and overall quality of life—is increasingly dividing America. This opportunity gap does not stem from any single root cause. Instead, LISC believes that it arises from imbalanced access to basic needs like safety, housing and healthcare, as well as inequality of educational and economic opportunities. Addressing such complex problems requires a set of equally multidimensional tools and strategies. LISC's strategic framework embraces a full range of activities that support comprehensive community development, health and safety, education and family financial planning. It builds off LISC's place-based development model to further equip LISC communities to become great places to live, work, visit, do business and raise families.

As such, LISC's Framework takes into account the full range of activities supported by our lending portfolio.

Eligible Social Project Categories	Sub-Category	Definition	LISC Eligibility and Exclusion Criteria	Impact Indicators	SDG Alignment
Affordable housing		Loans for predevelopment, acquisition, construction, operation or preservation of affordable single, multi- and mixed-use rental and for-sale housing in rural and urban areas **Eligible borrowers:** Community development corporations[1], community housing development[2] organization, nonprofit and for-profit affordable housing developers	**Eligibility criteria:** Housing is deemed affordable when the rent burden is not higher than 30% of 80% of the Area Median Income (AMI) At least 20% of the housing units financed within the project need to be set aside (through public subsidy) as affordable for populations at or below 80% of the Area Median Income (AMI) Naturally Occurring Affordable Housing (residential rental properties that maintain low rents without federal subsidy) are also eligible. In these cases, LISC assesses at what level the market rate units are affordable without public subsidy through review of rent and market studies and will covenant that all units are affordable to 80% of AMI during the loan and that the Borrower will make "best efforts" to ensure affordability after loan repayment **Exclusions:** 100% market rate housing developments that do not meet definitions of naturally occurring affordable housing or areas that do not meet the definition of where LISC works; land banking[3]	■ # of affordable rental and for-sale units built or preserved	1 NO POVERTY 11 SUSTAINABLE CITIES AND COMMUNITIES
Access to essential services	Education	**Charter Schools:** Loans for predevelopment, acquisition and construction of high-quality public charter schools that serve predominately low-income students **Eligible borrowers:** Individual charter schools, charter school management organizations and non-profit or for-profit real estate developers which lease to school operators	Screening criteria for Charter Schools: at least three years of operations, the school or manager is run by a nonprofit, the school is brick and mortar, population eligible for Free Reduced Lunch[4] is greater than 40%, academics outperform the district, fair admissions policies, no controversies on school/school leader found on google, no conflicts of interest, transparent accountability, percent of special education[5] and English language learners[6], strong operational and financial governance and commitment to partnering with underserved communities. For-profit Charter Schools are excluded	■ % of population eligible for free or reduced lunch; % Special Education; % English Language Learners ■ # of student seats at full capacity	4 QUALITY EDUCATION
		Early Child Care Facilities: Loans for predevelopment, acquisition, construction and rehabilitation of quality early learning facilities serving children from birth to five years, with a focus in low to moderate-income and rural areas[7] **Eligible borrowers:** Nonprofit and for-profit early childhood program operators, community development corporations and other mission-driven development organizations providing space for early childhood centers	**For Early Child Care Facilities:** target population below 120% AMI and location in low- to moderate-income and rural areas	■ # of childcare slots at full capacity	

Eligible Social Project Categories	Sub-Category	Definition	LISC Eligibility and Exclusion Criteria	Impact Indicators	SDG Alignment
Access to essential services	**Healthcare**	Loans for predevelopment, acquisition, construction and rehabilitation of Community Health Centers and other service facilities, including federally qualified health centers (FQHCs), FQHC look-alikes and health centers. Healthcare financing focuses on expanding access to high quality, affordable healthcare to an underserved area or population[8] **Eligible borrowers:** Federally Qualified Health Centers[9], FQHC look-alikes and Community Health Centers[10]	**Eligibility criteria:** Health centers serving LISC's target populations according to the payor mix, servicing Medicaid- and Medicare-eligible individuals, serving medically underserved areas including those with large uninsured, underinsured or low-income populations and areas with limited access to healthcare	■ # of people to be served annually by new facility	3 GOOD HEALTH AND WELL-BEING
	Community services	Loans for predevelopment, acquisition, construction and operation of facilities and service providers that provide vital community services (including job training, financial coaching, non-profit office space, education, mental health, HIV/AIDS, drug/alcohol and domestic violence counselling, as well as services to youth, the disabled and elderly) that benefit low- to moderate-income individuals and / or communities Eligible borrowers: community development corporations and other nonprofit providers	**Eligibility criteria:** Community facilities and service providers that work in either low- to moderate-income communities or serve low- to moderate-income individuals **Target population:** Low- (80% of the area median income) to moderate-income (120% of the area median income) recipients	■ % of people to be served annually by new facility	10 REDUCED INEQUALITIES
Food Security		Loans for predevelopment, acquisition, construction and operation of healthy food[11] outlets and healthy food retailers[12] in USDA Food Deserts[13] which identify areas with a substantial number or share of residents with low levels of access to retail outlets selling healthy and affordable foods Loans for predevelopment, acquisition, construction and operation of healthy food non-retail outlets[14] involved in healthy food production, distribution and consumer education on the consumption of healthy foods **Eligible borrowers:** Nonprofit and for-profit operators of healthy food businesses including retail food stores, farmers' markets, food co-ops and other healthy food production or distribution activities	**Eligibility criteria for healthy food retailers:** Retailers located in USDA Food Deserts. Additional preferential criteria: retailers accepting SNAP, WIC, or equivalent food benefits **Eligibility criteria for healthy food non-retail outlets:** Outlets that broadening access to healthy foods in underserved areas including USDA Food Deserts or other target markets[15]	■ # and square footage of retailers selling or producing healthy and affordable food serving low-income groups	1 NO POVERTY 2 ZERO HUNGER

Eligible Social Project Categories	Sub-Category	Definition	LISC Eligibility and Exclusion Criteria	Impact Indicators	SDG Alignment
Employment Generation	**SME Financing**	Financing (Equipment, Leasehold Improvements, Remodel/ Expansion, Furniture, Fixtures & Equipment) for for-profit businesses located in low- and moderate-income and rural communities, businesses owned by veterans, women and minority entrepreneurs, and legacy businesses (independently owned businesses that have contributed to the history or identity of a particular neighborhood or community) **Type of borrowers:** For-profit small businesses (as defined by the US Small Business Administration program SBA.gov) located in one of LISC's 35 program cities or in a Rural LISC program area	**Eligibility criteria:** Veteran- (VBE), women- (WBE) or minority-owned business (MBE) and legacy business located in low and moderate-income and rural communities or in one of LISC's locations in 35 program cities or in a Rural LISC program area **Excluded activities:** Controversial businesses such as tobacco, liquor, weapons and adult businesses and ineligible businesses as defined by the US Small Business Administration Program[16]	■ # jobs created and retained ■ % WBE, MBE, VBE supported	8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
	Other	**Creative Economy:** Loans for predevelopment, acquisition, construction and operation of spaces for business incubation, maker and artist studios, cultural activities and light manufacturing that contribute to the production and distribution of cultural goods, services and intellectual property while fostering quality middle-skill jobs for low- and moderate-income peoples to ensure creative and cultural activities are not vulnerable to displacement	**Eligibility criteria:** Creative activities included in the NAICS Codes for Creative Industries adopted by the New England Foundation for the Arts (NEFA); activities benefit low- and moderate-income people (below 120% AMI) **Excluded activities:** Spaces for controversial businesses such as tobacco, liquor, weapons and adult businesses and ineligible businesses as defined by the US Small Business Administration Program	■ # jobs created and retained ■ Tax revenues generated	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
		Financial Services: Loans to provide lending capital to community development financial institutions[17] who deploy loans to minority and women-owned small businesses located within LISC communities or low- to moderate-income areas	**Eligibility criteria:** Loans of financial institutions are targeting small businesses (as defined by US government), with preference to loans for minority- and women-owned businesses. Loans of financial institutions are targeting small businesses located within LISC communities or low- to moderate-income areas **Excluded activities:** Funds for controversial activities such as tobacco, liquor, weapons and adult businesses and ineligible businesses as defined by the US Small Business Administration Program		
		Commercial Facilities: Loans for predevelopment, acquisition, construction and operation of infrastructure/spaces[18] (including mixed-use development[19]) to be leased or owned by nonprofits, for-profits, or government entities in underserved communities to foster job creation and community revitalization **Types of borrowers:** Community development corporations, other non-profits and mission-aligned for-profits[20]	**Eligibility criteria:** Nonprofit or community partner identified by LISC to develop community asset **Exclusion criteria:** Non-target LISC community; no community buy-in of asset; speculative real estate transactions; land banking; tenants that include SBA ineligible businesses and controversial businesses such as tobacco, liquor, weapons and adult businesses (e.g. porn)		

In addition to the above factors, LISC uses the below screening criteria to help assess the impact of our investments:

Project Location

- Is the project location in or within access to a low- to moderate-income (LMI) community[21]?
- Will the project provide goods and services that benefit the surrounding LMI community?
- Is the project in a Persistent Poverty Area[22], New Market Tax Credit Census Tract[23], Rural Census Tract[24], Area of Economic Distress[25], Federal Housing Finance Agency Duty to Serve[26], Indian Tribe Area[27], or another designation aimed to serve very low-, low- and moderate-income families?
- Will there be benefits for local small businesses?
- Is there a plan to purchase locally, including from BIPOC-, veteran- and woman-owned vendors?

Job Quality

- Will there be a range of job opportunities, including those that do not require a college degree?
- Is there a commitment to hire locally, with a focus on low-income people and/or BIPOC communities? Will the project proactively work with local community colleges, technical schools, public workforce programs?
- Will jobs pay living wages? Will they result in opportunities for workers to advance their careers?
- Will jobs offer health and/or retirement benefits?

Community Collaboration

- Has the borrower engaged in relevant community-based organizations and the wider public in informing the development project?
- What is the strength of those partnerships?

Leverage / Public Support

- Has / Is the project eligible to leverage other programs including tax credits, development grants or other subsidies?

Borrower Profile

- Is the organization BIPOC-, veteran- or woman-led?
- Is it a mission-driven organization?
- Is LISC familiar with the borrower (i.e. previous successful collaboration)?

2 Project Evaluation and Selection

In addition to meeting Social Bond eligibility criteria, all projects undergo a rigorous due diligence process. LISC's loan underwriting and management policies reflect the needs of communities, LISC's charitable mission and purpose, and LISC's responsibilities to lenders and investors. LISC has broad experience with loans made to nonprofit and mission-aligned for-profit developers engaged in community and economic development projects, and has fostered an underwriting approach tailored to a wide diversity of loan requests.

Staff in LISC's local offices and national programs originate loan requests. At the beginning of due diligence, a national underwriter from LISC Lending's credit team and an intake committee also staffed by the credit team review potential loan requests and provide guidance on risks and mitigants, loan structure and conformance to LISC's underwriting policy and eligibility criteria as defined in the Framework. After satisfactory review, the national underwriter notifies program staff to move to underwriting.

After underwriting, loan requests come to Credit Committee for formal approval to ensure the loan meets LISC's underwriting criteria and eligibility criteria as defined in the Framework. LISC's Credit Committee is made up of voting members staffed from LISC's national Lending, Finance and Legal departments. Credit Committee evaluates loans on criteria including the financial strength and organizational capacity of the borrower, the ability of the borrower to repay the loan, the potential project risks and mitigating factors, and the strength of underlying collateral. LISC reviews project and product risks based on experience with the borrower and market, and analysis of historical and projected performance.

In addition, each loan is rated for impact using the LISC Impact Matrix, a tool launched in 2021 that assigns a numeric score to loans based on the Impact Management Project's Five Dimensions of Impact (What, Who, How Much, Contribution and Risk). The Impact Matrix is a data-informed approach to leverage quantitative and qualitative data collected during the underwriting process to better assess the impact and long-term effects of project loans across asset types.

LISC local offices maintain advisory boards, comprised of private and public leaders rooted in the relevant market, to ensure that loans meet the needs of local communities. When evaluating mission alignment, LISC considers how financing businesses, housing and other community infrastructure will catalyze economic, health, safety and educational mobility for individuals and communities. Factors include whether the project is located in a low- to moderate-income community, will provide goods and services that benefit an underserved community, will provide quality job opportunities to underserved populations, develops partnerships with other community-based organizations and develops needed infrastructure. LISC's mission-driven focus in loan transactions differentiates its approach from that of commercial banks, and may result in the extension of credit to higher-risk borrowers in alignment with this mission.

In the event Impact Notes are used for refinancing, refinance projects will be selected based on the current cost of funds of loans to LISC.

3 Management of Proceeds

Net of transaction costs, all of the proceeds of Notes will be deposited into a segregated account held by LISC and will be allocated to Eligible Projects as defined in Use of Proceeds section of the Framework.

In the event Impact Notes are used for refinancing, proceeds for refinanced projects will be disbursed to refinance outstanding debt being used to finance projects in alignment with LISC's Framework. LISC has defined a lookback period of five years to apply to refinancing loans. Should refinancing occur, LISC will use best efforts to refinance debt to Eligible Projects that fit this lookback period.

LISC will use best efforts to asset-liability matching to allocate proceeds of Notes to project loans, thus ensuring LISC will have sufficient capital to repay Notes at their maturity.

LISC plans to allocate proceeds of the Notes within 12 months upon receipt of capital. Pending full allocation, LISC may invest the balance of the net proceeds, at its own discretion, in cash or cash equivalents. LISC commits not to invest temporary unallocated proceeds in greenhouse gases (GHG) or other controversial activities.

LISC commits to monitor the selected projects throughout the lifetime of the Notes program and to make best efforts to remove from the list of Eligible Projects those that are no longer compliant with selection and exclusion criteria, and those that face controversies. In case of project postponement, cancellation or divestment, LISC will hold proceeds as cash until reinvestment in another Eligible Project Category. LISC expects to be able to reallocate the proceeds in less than three months.

LISC will monitor and track the allocation of the Note proceeds through its internal systems and control mechanisms.

4 Reporting

LISC will provide an annual update on the allocation and impact of Note proceeds on an aggregate basis using the indicators outlined in our Framework until the maturity of our Notes program. In addition, LISC publishes an Annual Report that shows the impact of our financing activities on an aggregate basis and will, from time to time, publish individual stories related to projects financed.

Reporting indicators include:

- Outstanding portfolio funded through Note proceeds by eligible category (USD)
- The share of financing vs. refinancing (%)

Social indicators include:

Affordable housing		■ Number of affordable rental and for-sale units built or preserved
Access to essential services	**Education**	■ Number of student seats at full capacity ■ Number of childcare slots at full capacity ■ Percentage of population eligible for free or reduced lunch; ■ Percentage Special Education; ■ Percentage of population who are English Language Learner
	Healthcare	■ Number of people to be served annually by a new healthcare facility
	Community Services	■ Number of people to be served annually by new facility
Food security		■ Number and square footage of retailers selling or producing healthy and affordable food serving low-income groups
Employment generation	**SME Financing**	■ Number of jobs created and retained ■ Percentage of Women Business Enterprise (WBE), Minority Business Enterprise (MBE), Veteran Business Enterprise (VBE) supported
	Other	■ Number of jobs created and retained ■ Tax revenues generated

LISC's process to track and report on impact data is outlined below:

- LISC tracks data at project approval through the Program Action (PA) System. The PA System is a recording and approval system for grants and loans that stores data that can be exported into Excel reports.
- Impact data is collected by program officers during the loan underwriting and grant approval process. Data is reviewed at Credit Committee to ensure LISC is tracking it in the PA System. All loans are also geocoded so that LISC can track funds and the characteristics of the neighborhoods the funds are provided to.
- LISC rates each loan using the Impact Matrix. This tool, which is aligned with industry standards, leverages the 250+ data points LISC collects during the underwriting process to score each loan's impact.
- In order to compare project's impact across asset types and more accurately measure project impact, LISC utilizes an impact rating tool. The Impact Matrix is a data informed approach to leverage quantitative and qualitative data collected during the underwriting process to better assess the impact and long-term effects of project loans. Annually, impact data is verified through a review process (which covers loans/grants amount, use of funds, project address and impact data). These numbers are published in LISC's Annual Report.
- Through internal IT tools, LISC will create an aggregate report based on the information of the PA System that shows the impact of investments funded through Note proceeds.
- The Finance, Research & Evaluation, and Marketing Teams will be responsible for creating reports for Note investors.

Footnotes

1 Community development corporations (CDCs) are 501(c)(3) non-profit organizations that are created to support and revitalize communities, especially those that are impoverished or struggling. CDCs often deal with the development of affordable housing. They can also be involved in a wide range of community services that meet local needs such as education, job training, healthcare, commercial development, and other social programs. More information can be found here: https://www.naceda.org/index.php?option=com_dailyplanetblog&view=entry&category=bright-ideas&id=25%3Awhat-is-a-community-development-corporation-&Itemid=171.

2 As defined in the U.S. Code here: https://www.law.cornell.edu/uscode/text/42/12704

3 "Land bank" acquisition loans are defined as loans to acquire improved or unimproved land where there is (i) no well-developed project plan in place at the time of proposed acquisition, and (ii) no specific financing plan that appears achievable in the near term, and (iii) there is no clear sense of the need to be filled by development of the land, nor market that would be served.

4 According to the definition/guidance from the National School Lunch Program, https://fns-prod.azureedge.net/sites/default/files/resource-files/NSLPFactSheet.pdf.

5 As defined by the Individuals with Disabilities Education Act.

6 As defined by the National Center for Education Statistics, https://nces.ed.gov/programs/coe/glossary.asp7 To determine a rural area, LISC takes into account of: population size that adheres to the USDA Rural Development Standard of 50,000 or less; distance from metropolitan areas; federal agency funding flexibility; limitations in the range of economic activities supporting the local economy; and considerations of overall local resource availability.

8 Medically Underserved Areas/Populations are areas or populations designated by Health Resources and Services Administration (HRSA) as having too few primary care providers, high infant mortality, high poverty or a high elderly population. Health Professional Shortage Areas (HPSAs) are designated by HRSA as having shortages of primary medical care, dental or mental health providers and may be geographic (a county or service area), population (e.g. low income or Medicaid eligible) or facilities (e.g. federally qualified health center or other state or federal prisons) https://data.hrsa.gov/tools/shortage-area/mua-find.

9 The definition of Federally Qualified Health Centers can be found here: https://www.hrsa.gov/opa/eligibility-and-registration/health-centers/fqhc/index.htm

10 Community Health Centers are community driven nonprofits that serve as a net for underserved, uninsured and homeless individuals. As part of their charter, they are dedicated to serve communities with limited access to medical care, despite their ability to pay. FQHCs, FQHC look-alikes and health centers may receive a mix of public and private funding to serve their target communities, as well as develop sliding fee schedules to help individuals gain access to care despite their ability to pay.

11 Healthy Foods include unprepared nutrient-dense foods and beverages as set forth in the USDA Dietary Guidelines for Americans 2015–2020 including whole fruits and vegetables, whole grains, fat free or low-fat dairy foods, lean meats and poultry (fresh, refrigerated, frozen or canned). Healthy Foods should have low or no added sugars, and be low-sodium, reduced sodium, or no-salt-added. (See USDA Dietary Guidelines: http://www.choosemyplate.gov/dietaryguidelines).

12 Defined as commercial sellers of Healthy Foods including, but not limited to, grocery stores, mobile food retailers, farmers markets, retail cooperatives, corner stores, bodegas, stores that sell other food and non-food items along with a range of Healthy Foods.

13 According to the CDFI Fund's guidance for the Healthy Foods Financing Initiative, Food Deserts are defined as distressed geographic areas where either a substantial number or share of residents has low access to a supermarket or large grocery store. For the purpose of satisfying this requirement, a Food Desert must either: (1) Be a census tract determined to be a Food Desert by the U.S. Department of Agriculture (USDA), in its USDA Food Access Research Atlas; (2) be a census tract adjacent to a census tract determined to be a Food Desert by the USDA, in its USDA Food Access Research Atlas; which has a median family income less than or equal to 120 percent of the applicable Area Median Family Income; or (3) be a Geographic Unit as defined in 12 CFR part 1805.201(b)(3)(ii)(B), which (i) individually meets at least one of the criteria in 12 CFR part 1805.201(b)(3)(ii)(D), and (ii) has been identified as having low access to a supermarket or grocery store through a methodology that has been adopted for use by another governmental or philanthropic healthy food initiative.

14 Healthy Food Non-Retail Outlets. Wholesalers of Healthy Foods including, but not limited to, wholesale food outlets, wholesale cooperatives, or other non-retail food producers that supply for sale a range of Healthy Food options; entities that produce or distribute Healthy Foods for eventual retail sale, and entities that provide consumer education regarding the consumption of Healthy Foods.

15 Healthy Food Non-Retail Outlets require that the majority of the loan or investment is devoted to offering a range of Healthy Food choices, which may include, among other activities, investments supporting an existing retail store or wholesale operation upgrade to offer an expanded range of Healthy Food choices, or supporting a nonprofit organization that expands the availability of Healthy Foods in underserved areas, including in USDA Food Deserts or other target markets approved by the CDFI Fund.

16 The list of ineligible businesses can be found here: https://www.sba.gov/partners/lenders/7a-loan-programme/terms-conditions-eligibility#section-header-19.

17 CDFIs are regulated by the US Department of Treasury and must demonstrate the following requirements: Is a legal entity at the time of Certification application; Has a primary mission of promoting community development; Is a financing entity; Primarily serves one or more target markets; Provides development services in conjunction with its financing activities; Maintains accountability to its defined target market; and Is a non-government entity and not under the control of any government entity (Tribal governments excluded).

18 These infrastructure/spaces are intended for the following purposes: Commercial development for non-food retailers (e.g. real estate developments housing retail businesses like credit unions, laundromats, restaurants, office supplies, and repair shops); Commercial Development for Nonprofit's Own Offices (community development corporations and other nonprofits that are developing or building out space which will house their own staff); Commercial Development for Other Organization Office Space (e.g: community development corporations and other nonprofits that are developing or building out space to be leased to other nonprofits, for-profits, or government entities). In addition, LISC provides leverage loans to New Markets Tax Credit transactions that fall into this category.

19 Mixed-use development are projects that blend a combination of residential, commercial, cultural or institutional uses. A mixed-use development can offer many benefits to members of LISC target communities, including greater housing variety and density, reduced distances between housing, workplaces and retail businesses, stronger neighborhood character and pedestrian and bicycle-friendly environments. Most often, such developments are comprised of buildings with retail space located on the lower floors and affordable rental housing on the higher levels

20 Mission-aligned for-profits are identified by LISC on a project by project basis to develop an asset in a target LISC community. LISC works with community partners to identify existing gaps and needs on its communities and then brings public and private sector partners to develop needed assets. When a nonprofit developer does not exist in its markets, LISC will work with for-profit developers that are capable of developing projects that meet these gaps. The for-profit borrowers undergo additional underwriting scrutiny and are required to put in more equity.

21 Communities where at least 51% of households have incomes at or below 80% AMI according to census data.

22 Persistent Poverty Counties (PPCs) are defined by Public Law Number 115-31 (enacted May 5, 2017) for the CDFI Fund as counties where 20% or more of their population lives in poverty as measured by the U.S. Census Bureau (1990 and 2000 decennial censuses, and 2011-2015 American Community Survey). Public Law 114–187 (enacted June 30, 2016) created the Congressional Task Force on Economic Growth in Puerto Rico, which recommended the CDFI Fund be inclusive of Puerto Rico in its program, including PPCs, if areas are qualified based on poverty and income criteria. Source: https://www.cdfifund.gov/Documents/PPC%20updated%20Oct.2017.xlsx.

23 The NMTC Program provides an incentive for investment in "Low-Income Communities" (LICs). LICs are census tracts: where the poverty rate is at least 20%; or where the median family income does not exceed 80% of the area median family income; or where the median family income does not exceed 85% of the area median family income provided the census tract is located in a high migration rural county; or where the census tract has a population of less than 2,000 and is contained within a Federally designated Empowerment Zone and is contiguous to at least one other LIC (https://www.cdfifund.gov/Documents/2017%20Introduction%20to%20NMTC%20Programme%20Presentation%20For%20Release.pdf and https://www.law.cornell.edu/uscode/text/26/45D).

24 A Rural Area is defined per 12 CFR § 1282.1 (the Enterprise Duty To Serve Final Rule) as: (i) a census tract outside of a Metropolitan Statistical Area (MSA) as designated by the Office of Management and Budget (OMB); or (ii) a census tract in a MSA as designated by OMB that is outside the MSA's Urbanized Area, as designated by the U.S. Department of Agriculture's (USDA) Rural-Urban Commuting Area (RUCA) Code #1, and outside of tracts with a housing density of over 64 housing units per square mile for USDA's RUCA Code

25 Defined as areas (a) where at least 20 percent of households that are Very Low-Income (50% of AMI or below) spend more than half of their income on housing; or (b) where the unemployment rate is at least 1.5 times the national average; or (c) that are Low-Income Housing Tax Credit Qualified Census Tracts; or (d) where more than 20 percent of households have incomes below the poverty rate and the rental vacancy rate is at least 10 percent; or (e) where more than 20 percent of the households have incomes below the poverty rate and the homeownership vacancy rate is at least 10 percent; or (f) are Underserved Rural Areas as defined in the CMF Interim Rule (as amended February 8, 2016; 12 C.F.R. Part 1807). Source: https://www.cdfifund.gov/Documents/FY%202018%20CMF%20Application%20FAQs%20-%20Final%20Approved-cover.pdf

26 Duty to Serve areas include very low-, low-, and moderate income families tied to specific high needs and high opportunity areas as defined by the Duty to Serve regulation. These areas include Rural areas, Indian triabe areas, High opportunity areas and Areas of Concentrated Poverty. Official definitions for these areas can be found here: https://www.fhfa.gov/DataTools/Downloads/Pages/Duty-to-Serve-Data.aspx.

27 LISC considers as Indian Tribe Area as areas within which an Indian tribe operates affordable housing program or the area in which a Tribally Designated Entity, as authorized by one or more Indian tribes, operates affordable housing program. Whenever the term jurisdiction is used in Native American Housing Assistance and Self Determination Act, it shall mean Indian Area, except where specific reference is made to the jurisdiction of a court. Source : https://www.law.cornell.edu/cfr/text/24/1000.10.