

Colorado Nonprofit Bridge Loan Fund

PURPOSE AND MARKET GAP

Nonprofits across Colorado are delivering essential services—housing, behavioral health, youth development, and refugee support—often under government contracts. These contracts are reliable in the long term, but payment delays can threaten the continuity of services. The Colorado Nonprofit Bridge Loan Fund fills this gap by providing short-term, low-cost loans at concessionary rates.

Borrowers are restricted to those public charities that have current, approved government grants and contracts. With rapid deployment the Colorado Nonprofit Bridge Loan Fund ensures that vital community programs continue uninterrupted, payroll is maintained, and trusted nonprofit providers remain stable community partners.

HOW THE FUND WORKS

- Impact investors from across the state pool capital under a Program-Related Investment (PRI) fund.
- First SouthWest Bank (FSWB) in Alamosa, one of only two CDFI-banks in Colorado, administers this fund.
- Any Colorado-based nonprofit with an approved and current government grant or contract is eligible for the fund. No restrictions on nonprofit type, issue area, or sector. Good-faith effort to allocate loans to both rural and urban nonprofits or specific geographies.
- Loan applications will be made directly to FSWB, which is responsible for underwriting, disbursement, servicing, and collection.
- Loan Terms: Typically \$100,000–\$250,000, with maximum of \$500,000. 6-month term with automatic 6-month extension. $\leq 2\%$ interest. Unsecured. Revolving structure 1-2x/year.
- Quarterly investor calls, hosted by FSWB, with detailed updates on loan portfolio. Standard impact metrics shared with all investors.

CONTACT

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IMPACT

- This fund will provide needed support and stability to nonprofits across the state in a time of exceptional uncertainty.
- Based on a unique collaboration of impact investors with a variety of geographic and philanthropic priorities, the fund will make an intentional commitment to allocate capital across rural, suburban, and urban communities, and across all nonprofit sectors.
- Concessionary bridge financing provides an opportunity for nonprofits, especially grassroots organizations and those from underserved communities, to improve their cash management and the health of their balance sheet. The Colorado Nonprofit Bridge Loan Fund will eventually offer pathways to traditional lenders and more standard commercial loan products. This growth will help them grow their programs and impact at-scale.
- The Colorado Nonprofit Bridge Loan Fund provides a documented pilot for success to later influence state and local policy changes to improve procurement programs.

INVESTMENT OPPORTUNITIES

1 INVEST IN THE FUND (\$50K MIN.)

Investors choose 1 of 2 tranches (or both):

Federal tranche

This first-loss tranche within the fund will lend to nonprofit organizations with approved and current federal grants and contracts. Repayment risk for loans from this tranche are expected to be higher, given the current uncertainty in federal contracting.

State/ local tranche

Lending based on any grant or contract from the State of Colorado or a municipality located in the state.

Choose 1 or both.

Investors may choose to allocate their investment to the federal tranche, the state/ local tranche, or both.

2 MAKE A GRANT TO THE FUND

Participate in leveraging even more capital through a direct grant to the fund.

The fund has a goal of raising \$400,000 of grant capital, which will unlock \$10 million additional dollars for the fund and ensure that borrowing rates remain at 2%. Grants to the fund in any amount are considered charitable contributions.

3 MAKE A CRA COMMITMENT TO THE FUND

For banks and deposit institutions, support of the fund provides CRA credit. This support can come in the form of investments or grants to the fund. In addition, banks may open near-market-rate deposits with FSWB, and this capital will be used to provide additional blended-rate loans to nonprofit borrowers of the fund.

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