Urban Advisors and Calvert Impact Capital Announce the Launch of the UP Community Fund; Fund to Provide Loans to Entrepreneurs of Color in the Southeastern US

Fund aims to address systemic financing challenges for minority-owned businesses

BETHESDA, Md., May 24, 2018 (Newswire.com) - Calvert Impact Capital (formerly Calvert Foundation), the mission-driven investor dedicated to creating a more equitable and sustainable world, and Urban Advisors, a mission-driven fund manager, today announced the launch of the UP Community Fund, a new impact investing vehicle designed to increase financing available to entrepreneurs of color in the southeastern United States.

Minority business owners have a harder time accessing affordable credit than their non-minority peers, making it more difficult for minority-owned businesses to succeed and build wealth. Minority business owners apply for loans at approximately half the rate of non-minority business owners, and those that apply for loans face a declination rate almost three times that of their non-minority peers. Even when approved, minority borrowers receive rates that are 200 basis points higher than non-minority borrowers. The availability and cost of credit lead minority borrowers to seek alternative forms of financing that are often predatory in nature and often hurt the personal credit of the business owners.

This Fund strives to address these financing disparities by seeking qualified minority-owned businesses who — with access to affordable credit — can grow their businesses and expand income and wealth building opportunities for their employees and communities.

“We are excited to offer a flexible financing solution that has been specifically designed to meet the needs of entrepreneurs of color in the southeast.”

— DAVID SHARP
CEO, UP COMMUNITY FUND

The Fund will make loans ranging from $250,000 to $1.2 million available to small businesses and community organizations within its target geographic market — including the metro areas of Charlotte, Atlanta, St. Louis, and Baltimore, among others. The Fund’s $12.15 million first close
includes Riverside Church, New Resource Bank, MetLife Investment Management, and Calvert Impact Capital as lenders. Calvert Impact Capital is also lead arranger and administrative agent.

“The vision of the UP Community Fund is to create a sustainable financing vehicle that can generate focused and long-term impact in communities of color,” said Calvert Impact Capital’s VP of Syndications and Strategy Beth Bafford. “We are investing — and bringing other lenders to the table — because of the strength of the Fund’s mission and the team’s deep experience in lending to under-resourced communities. The UP Community Fund will create economic opportunity in a part of the U.S. that has historically lacked strong financing infrastructure.”

The southeast is the least upwardly-mobile region for African-American communities in the United States. The Fund’s initial target market was chosen to bring economic opportunity to companies led by entrepreneurs of color as well as those seeking to diversify workforces to create quality employment.

David Sharp, the CEO of the UP Community Fund said, “We are excited to offer a flexible financing solution that has been specifically designed to meet the needs of entrepreneurs of color in the southeast. We will provide both relationship lending and advisory services to build and grow wealth across these communities.”

Calvert Impact Capital and Urban Advisors would like to acknowledge the invaluable contributions of the parties who helped make this Fund possible: Morgan, Lewis & Bockius (Calvert Impact Capital counsel), Willkie Farr & Gallagher (Riverside Church counsel), and Orrick Herrington & Sutcliffe (Urban Advisors counsel).

1 US Department of Commerce Minority Business Development Agency Report

About Calvert Impact Capital

Calvert Impact Capital (formerly Calvert Foundation) invests to create a more equitable and sustainable world. Through our products and services, we raise capital from individual and institutional investors to finance intermediaries and funds that are investing in communities left out of traditional capital markets. During our 22-year history, we have mobilized nearly $2 billion of investor capital. Calvert Impact Capital has recently expanded our services to include loan syndications, where we originate and structure loans for institutional and accredited investors seeking environmental and social impact. Since the launch in 2017, we have syndicated more than $130 million of capital across nine transactions. Learn more at https://www.calvertimpactcapital.org/invest/syndication-services.

About Urban Advisors

Urban Advisors is an impact investment consulting firm focused on solving economic inequality for communities and people of color. We have been in the impact investment space for the past 12 years and have participated in over 100 impact investment-related transactions. The UP Community Fund
represents an expansion of our impact-focused fund management business. Business owners seeking financing can visit https://www.upcommunityfund.com to learn more about the lending criteria and the process for applying for a loan.

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