



OFFICE OF ILLINOIS STATE TREASURER

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Green Lending Program to Help Non-Profits and Faith-Based Organizations

Removes Barrier When Borrowing for Improvements

SPRINGFIELD – Illinois Treasurer Michael Frerichs today announced a new loan program for non-profits and faith-based organizations that seek to make their property more energy efficient.

The Non-Profit Green Lending Program addresses the barriers that non-profits and faith-based organizations face when seeking access to capital. While a home owner often secures such loans by using a residence as collateral, financial institutions almost never do so with real estate owned by non-profits and faith-based organizations.

Lenders are more willing to participate if an individual personally guarantees the loan. However, it is bad practice for leaders at non-profits or faith-based organizations to personally guarantee a loan because it mixes personal finances with an organization's finances.

“One role of the treasurer's office is to provide tools for people to invest in themselves. In this case, we determined that the right tool did not exist,” Frerichs said. “Rather than complain loudly about the problem, we spoke with people touched by this challenge and facilitated a solution.”

The solution involves Faith in Place. The religious-based Illinois non-profit has agreed to help identify non-profits and faith-based organizations that could benefit from this new program. With offices in Chicago, Champaign and Waukegan, Faith in Place empowers people to be leaders in caring for the earth. Since 1999, it has helped more than 1,000 houses of worship make energy-efficient improvements, including solar and green infrastructure projects.

“Houses of worship in our communities are leading for environmental justice. They are creatively working with Faith in Place to reduce carbon emissions, basement flooding, and the barriers to local food and open space,” said the Rev. Brian Sauder, president and executive director of Faith in Place. “This partnership with Treasurer Frerichs and Everence Federal Credit Union significantly increases our ability to achieve these goals.”

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Everence is a faith-based financial services organization doing business in Illinois, Indiana, Iowa and other states. Everence has agreed to work with Frerichs to make money available for low-interest loans that would assist non-profits and faith-based organizations that otherwise are unable to secure financing.

Typical high-dollar improvements could include more energy efficient heating and cooling systems as well as structural improvements to buildings and parking lots. Smaller-dollar improvements could include programmable thermostats, pipe insulations and faucet aerators.

No public funds will be used to pay for any of the capital improvements made by non-profits and faith-based organizations. Instead, Frerichs facilitated the partnership between Faith in Place and Everence.

Frerichs is willing to facilitate similar partnerships with other lenders and, where appropriate, utilize the office's linked-deposit program. A linked deposit provides capital to lenders at below-market rates so that the lender, in turn, can make loans for specific purposes.

Ag-Invest is the most recognizable linked-deposit program. Since 1983, Ag-Invest has capitalized more than \$1 billion in annual and long-term loans for expenses such as operating costs, equipment purchases, construction-related projects and livestock.

To apply for this program, contact the Rev. Brian Sauder at 312.733.4640 ext. 111 or visit www.faithinplace.org/our-programs/nonprofit-green-lending-program.

About the Illinois Treasurer

The Illinois Treasurer is the state's chief investment officer and Frerichs is a Certified Public Finance Officer. He protects consumers by encouraging savings plans for college or trade school, increasing financial education among all ages, and removing barriers to a secure retirement. As the state's Chief Investment Officer, he actively manages approximately \$25 billion. The portfolio includes \$13 billion in state funds, \$7 billion in college savings plans and \$5 billion on behalf of local and state governments. The investment approach is cautious to ensure the preservation of capital and returns \$28 to the state for every \$1 spent in operations. The Treasurer's Office predates Illinois incorporation in 1818. Voters in 1848 chose to make it an elected office.

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