

Preparing Child Care Borrowers for Underwriting: A Checklist for Initial Loan Request

The Low Income Investment Fund's (LIIF) Affordable Buildings for Children's Development Initiative (ABCD) is a California-wide collaborative of existing organizations dedicated to building a comprehensive and sustainable financing and support system for child care. LIIF has designed this checklist to help individuals and organizations seeking child care capital financing understand the type of documentation lenders need to determine the viability of a potential borrower. This checklist is general and intended to be a starting point for potential borrowers helping them identify, gather and construct necessary documentation in preparation for meeting with a lender. If items in this checklist can not be produced, an explanation of why should be developed. Every potential borrower and reason for borrowing is unique therefore a lender may request additional documentation. After their preliminary review of the items in this checklist, a lender will definitely need more information to conduct a thorough analysis of a loan request. Information presented to a lender should always be thorough, evidentiary, and financial projections conservative.

Contact Information: _____

Checklist:

- Borrowing entity; Corporation, Limited Liability, Single Asset Company, etc.
- 501(c) 3 Federal and State Tax Exempt Letters, Articles of Corporation and Bylaws
- List of Board of Directors and Bios for each- if applicable
- Three Credit/Business References
- Current Interim Financial Statements
- Previous 3 yrs audited financial statements
- Previous 3 yrs tax returns, CA and Federal
- Organizational Budget
- Development project Sources/Uses statement; A schedule that identifies each capital source and the expense or activity each source will pay for.
- Drawings
- Development Budget; detailed cost explanation of true development costs
- Development Timeline
- Business plan, including a market analysis justifying demand for new child care services
- Loan Application
- Project Description
- Proof of committed State/Federal/Local operating revenue
- Proof of committed Capital funds
- Property description; Parcel Number, Title report, Deed of Trust
- Property Appraisal Report
- Environmental Reports
- Proof of appropriate zoning for use of child care
- Waiting list/ anticipated enrollment
- List of Development team members and resumes for each
- Copies of consultant contracts for key members of the development team (e.g. architect, construction manager, capital campaign consultant, etc.)