

Financial resources for organizations

and projects that promote human dignity,

social justice and healthy communities



Direct Community
Investment Program

† CATHOLIC HEALTH
INITIATIVES

A spirit of innovation, a legacy of care.

Catholic Health Initiatives recognizes and accepts its moral and ethical responsibility to steward its financial resources in a manner consistent with its vision, mission, values and core strategies.

The mission and vision of Catholic Health Initiatives, one of the largest not-for-profit health care systems in the country, is to create new ministries to promote healthy communities, now and into the future. Direct community investments are one way Catholic Health Initiatives fulfills that vision.

The Direct Community Investment Program was established as part of the Catholic Health Initiatives Social Responsibility Investment Policy, which states:

Catholic Health Initiatives recognizes and accepts its moral and ethical responsibility to steward its financial resources in a manner consistent with its vision, mission, values and core strategies. Catholic Health Initiatives understands this stewardship responsibility within the context of the social teachings of the Catholic Church and its commitment to advocate for systemic changes to improve the health and well being of individuals and communities. Catholic Health Initiatives is especially concerned for persons who are poor, alienated and underserved. In order to fulfill this responsibility, it is the policy of Catholic Health Initiatives to utilize its financial resources to emphasize human dignity, social justice and the promotion of healthier communities.

What is a Direct Community Investment?

A direct community investment is a financial loan to an institution or project established to promote access to jobs, housing, food, education or health care for low income and/or minority communities. Catholic Health Initiatives loans funds to institutions and projects which typically do not have access to affordable credit through other sources.

Investment Objectives

The objective of direct community investments is to maximize social good while ensuring that the funds loaned are secure. Given the nature and purpose of these investments, market rates of return and liquidity are not expected. Catholic Health Initiatives will obtain an appropriate rate of return based on the nature of each investment, recognizing that the social good is of greater importance. Interest rates charged on these loans will be below market and will vary according to the circumstances of the loan recipients.

Types of Investments Available

The following types of direct community investments are available through Catholic Health Initiatives:

Loan to Intermediaries: A loan to a non-profit organization which then lends the funds to community development programs. To limit the number of investments held and streamline the monitoring process, Catholic Health Initiatives will provide direct community investments primarily through intermediaries.

Direct Loan to a Company or Program: A loan directly negotiated between Catholic Health Initiatives and a non-profit company or community development program.

Collateral Support for a Loan: Collateral provided by Catholic Health Initiatives to assist a non-profit company or community development program in obtaining financing.

Loan Guarantee: A contractual promise by Catholic Health Initiatives to pay a third party in the event of default by a non-profit organization.

Certificate of Deposit or Linked Deposit: A certificate of deposit or linked deposit in a minority-owned or community development financial institution. The purpose of these investments is to support a financial institution in community development projects or a specific borrower in obtaining credit.

Equity investments and grants are not available as direct community investments.

Applications and Approvals

Applications may be submitted at any time during the year and are reviewed once each quarter by the Social Responsibility Investment Staff Committee of Catholic Health Initiatives. Applicants must complete the Direct Community Investment Application Form (included in this brochure).

All applications will be reviewed and evaluated using a set of general, social and financial criteria. Exceptions to these criteria may be made in certain cases.

Recipients of investment support will be required to complete and submit a Direct Community Investment Accountability Form on an annual basis.

General Criteria

- Applicants that serve communities in which Catholic Health Initiatives' facilities or related organizations (for example, members of sponsoring congregations) are located will be given priority consideration.
- Applicants will be non-profit and focus primarily on community development programs (for example, affordable housing, child care, job creation, environmental protection, etc.).
- Applicants will conduct themselves in a manner consistent with the values of Catholic Health Initiatives and the social teachings of the Catholic Church.
- The maximum term of a direct community investment will be five years. Recipients may request a renewal of the investment to extend beyond the maximum term.
- Direct community investments are available to both domestic and international organizations.

Social Criteria

Applicants will:

- Target low-income and minority communities.
- Invest in the revitalization of urban or rural areas.
- Empower low-income individuals to create, manage and operate businesses.
- Demonstrate a commitment to healthy communities.

Financial Criteria

- Risk potential and financial stability.
- Other sources of funding and local support of the project.
- Level of management expertise and history of achievement.
- Cash flow needs and available collateral.
- Financial ratios such as debt/equity, default ratio, etc.

For More Information

For further information or to request additional application forms, please contact:

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