

Types of Lenders



Who Gives Loans to Nonprofits?

Banks & Credit Unions

Community Development Financial Institutions (CDFIs)

Government

Foundations

Individuals

It is okay to shop around!

Choosing the right lender will depend on your needs and financial circumstances.

Common Lenders: Banks, Credit Unions, & CDFIs

	Banks, Credit Unions, & Commercial Lenders	Community Development Financial Institutions: CDFI
Motive	Profit	Your success
Process	Can be more rigid	Can be more flexible, willing to work with nuance and ambiguity
Understand nonprofit world?	Varies – find one that does	Varies – find one that does
Interest rates	Variable – depends on the market	Variable – depends on the market
Other considerations	Good option if available	Good partner, especially through uncertainty

Other Lenders: Government, Foundations, & Individuals

	Government	Foundations	Individuals
Examples	Small Business Administration (SBA)	Program-Related Investment (PRI) Mission-Related Investment (MRI)	Board member
Process	Rigid: you qualify or you don't	Flexible, willing to work with you – but not always open for applications	Varies
Understand nonprofits?	Varies	Yes	Varies
Interest rates	Variable – depends on the market	Low to 0%	Varies
Other considerations	Good option if available	Rare	Can be tricky

More Questions? Check out the other videos in this series:

1. [What Is Debt?](#)
2. [When Is Debt Right For My Nonprofit?](#)
3. [What Lenders Look For](#)
4. [**Types of Lenders**](#)
5. [The Lending Process](#)

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