Purpose

LeverAge is a national financing program designed to assist in the expansion of affordable aging services, senior housing models, and emerging aging innovations. The program offers not-for-profit and cooperative organizations affordable, flexible, and longer-term debt to meet the evolving needs and preferences of older Americans and the healthcare systems that serve them. LeverAge is a scalable program designed to fill long standing lending gaps and new financing needs surfacing in the wake of federal and state program cuts.

Senior Affordable Housing Finance Needs

There are almost twice as many extremely low-income renters as available affordable apartments according to a 2011 study by the Joint Center for Housing Studies (JCHS) at Harvard University. And the gap is growing. JCHS estimates that demand growth will be greatest among 65-74 year olds through 2020, requiring approximately 1.3 million new affordable rental units. People 75 and older will need an additional half million affordable units over the same period.

A critical component of meeting this demand is “readily available, consistently priced, and long-term financing” according to The National Association of Affordable Housing Lenders (NAAHL). NAAHL notes that the need for this type of financing is especially critical for the smaller developments (5-50 units) that provide 90% of the country’s affordable units but are outside of the guidelines and or preference for larger projects of the Federal Housing Administration (FHA), Fannie Mae and Freddie Mac.

Senior Affordable Services Financing Needs

The need for new sources of lending to support expansion of aging services is identified as a high priority by LeadingAge, the main non-profit aging services trade association. LeadingAge cites new financing sources as critical to insuring that “there is an adequate supply of housing, services, and supports for people of all incomes as they age.” LeadingAge notes that many existing services need financing so they may be repositioned to deliver an “integrated system of aging services.”

LeverAge Finance Program

The need for affordable and flexible financing to reposition and expand aging services and housing programs was confirmed directly by the aging services providers, affordable housing organizations, and related stakeholders in interviews conducted by the National Cooperative Bank throughout 2013. The research and provider interviews identified the major obstacles as lenders:

- Lack of expertise in specialized health care lending
- Concerns regarding Medicaid programs and their continued political and budget support
- Discomfort with cash flow lending in the absence of hard collateral
- Discomfort with new service models that lack industry metrics

Not-for-profit and cooperative organizations must be or become a LeadingAge member to participate in the LeverAge loan program.

For discussion purposes ONLY - this is not a commitment to lend
To address these needs, LeverAge is designed to be a flexible and affordable national lending program to support organizations developing or expanding models of affordable mixed-income aging services and/or senior housing by providing:

1. Fixed rate and longer term mortgages (10-year terms with up to 30-year amortizations) to support the expansion of proven affordable housing and housing with services innovations
2. Working capital and cash flow loans (fixed and variable rates, up to 7-year terms) to support the expansion of proven aging services innovations
3. Credit support to help promising innovations qualify for financing
4. Affordability through loan rates 50 to 150 basis points below the National Cooperative Bank's market loan rates

**LeverAge Funding**

LeverAge's lower rates, longer terms, and credit support are made possible by social investors’ mission deposits in the National Cooperative Bank’s AdvantAge Deposit program. National Cooperative Bank provides dollar for dollar matching funds for LeverAge loans funded by AdvantAge deposits.

**Program Partners**

**Grantmakers in Aging**

Grantmakers in Aging (GIA) is an inclusive and responsive membership organization that is a national catalyst for philanthropy, with a common dedication to improving the experience of aging. GIA members have a shared recognition that a society that is better for older adults is a society that is better for people of all ages. Visit Grantmakers in Aging online at [www.giaging.org](http://www.giaging.org).

**LeadingAge**

LeadingAge seeks new possibilities for the world’s aging population. LeadingAge is comprised of 6,000 not-for-profit organizations and represents the entire field of aging services. Members of LeadingAge touch the lives of 4 million people every day. Visit LendingAge online at [www.leadingage.org](http://www.leadingage.org).

**National Cooperative Bank**

National Cooperative Bank is a cooperatively own financial institution committed to finding new and creative ways to meet the financial needs of the communities it serves. National Cooperative Bank has a goal to maintain at least 35% of its lending in projects serving low-income and underserved communities. Visit us online at [www.ncb.coop](http://www.ncb.coop).

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For questions regarding the LeverAge finance program, please contact **Robert Jenkens** at National Cooperative Bank: (703) 302-1950 or rjenkens@ncb.coop.

For more information, visit ncb.coop/leverage

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1 National Cooperative Bank does not provide matching funds for credit support.
2 For discussion purposes ONLY - this is not a commitment to lend