WCRA | WASHINGTON COMMUNITY REINVESTMENT ASSOCIATION

The WELL fund is a pool of funding options comprised of loans and grants to finance Early Learning Centers (ELC) across Washington. All grant requests need to go through Enterprise Community Partners. For loans with WCRA, there are two funding sources: Department of Commerce contracted funds, and WCRA-member funded economic development loans. Craft3 (https://www.craft3.org) is also a member of the WELL fund and provides related loan programs.

Loan Options

WELL Acquisition Loan
- Maximum loan amount $1,000,000
- Short-term loans (up to two years) to allow for ELC acquisition, renovation, opening, and stabilization
- Interest rate: currently between 2.0% and 3.0% depending on size and complexity of project
- Loan fee: 2.0%-3.0%
- WELL loan in 1st lien position

Once the ELC is operational the WELL Acquisition Loan may be paid off with a combination of a WELL Permanent Loan and a WCRA Economic Development Loan. Please note that all WELL Permanent Loans have a 50% match requirement. Example: if you need to borrow $1,000,000 in permanent financing for your project, $500,000 could come from a WELL Permanent Loan and the other $500,000 would need to come from a WCRA Economic Development Permanent Loan or other approved source of financing.

WELL Permanent Loan
- Maximum loan amount: $1,000,000 (limited by match requirement)
- Loan term and amortization up to 20 years (must match term of WCRA Economic Development Loan)
- Interest rate: currently between 1.5%-2.0%
- Loan fee: 0.5%-1.0%
- Minimum combined debt service coverage of 1.05:1 based on the operating income of the ELC
- No maximum combined LTV requirement
- No prepayment penalty
- WELL loan in junior lien position to WCRA Economic Development Loan
- Payments are cash flow contingent in the event the ELC runs into trouble (payments would be deferred to a balloon payment at maturity)
- Facility to be used as an ELC for the life of the loan, or ten years, whichever is longer
- Facility to participate in Early Achievers
- Facility to accept ECEAP or WCCC subsidies (or other childcare subsidy) to serve low-income families

WCRA Economic Development Permanent Loan
- Maximum loan amount: $5,000,000 (minimum limited by match requirement)
- Loan term and amortization up to 20 years
- Interest rate: please contact WCRA for current rates
- Loan fee: 0.5% - 2.0%
- Minimum debt service coverage of 1.25:1 based on the operating income of the ELC
- Maximum LTV of 75%
- Prepayment penalty applies on terms over seven years
- WCRA in 1st lien position
- Facility to be used as an ELC for the life of the loan, or ten years, whichever is longer.

If the programmatic elements of the proposed ELC financing are approved due diligence credit materials will be requested for preliminary underwriting. No letter of interest can be written without receipt of those materials. Timing for underwriting, credit review and approval typically takes a minimum of 120 days.