

Community Lender Risk Share Program



This program, managed by Locus, is designed to support local community development by providing low-friction, loss-absorbing credit support to mission-aligned lenders, specifically those that facilitate climate-related lending projects and efforts.

The Community Lender Risk Share enables lenders to transfer up to 50% of the risk of credit loss—on an unfunded pari passu basis—to the risk share provider, freeing up balance sheet capacity and supporting expanded lending.

Eligible Lending Sectors

Renewable Energy

Financing renewable energy generation, storage, and distribution, as well as electrification and efficient built environment

Climate Resilience

Supporting LMI communities in mitigating effects of climate change and natural disasters through climate resilience projects and climate-related workforce development

Sustainable Food and Fiber Systems

Lending to organic, regenerative, and/or sustainable producers and value chain participants, including agroforestry and natural resources management related projects

Geographic Focus

National (excluding U.S. Territories)

Lender Use Cases

Concentration Risk Management

Enabling additional lending beyond internal or regulatory exposure limits

Market Expansion

Supporting entry into new sectors, borrower types, or geographies

Increase Loan Originations

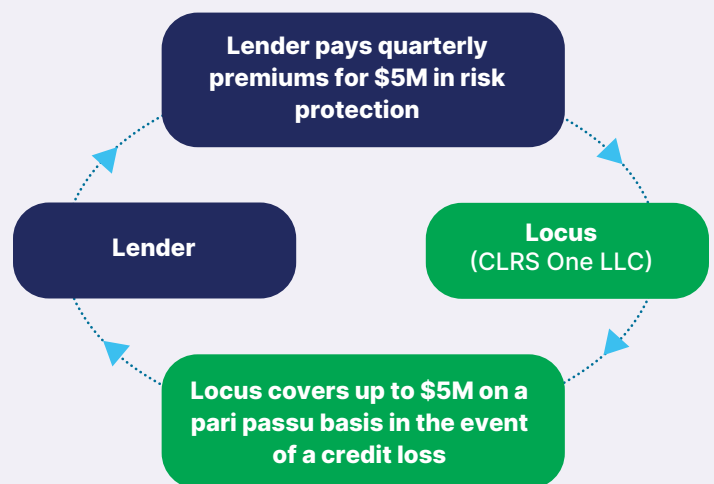
Increasing balance sheet capacity and loan origination by facilitating sale or participation of loans

Risk Share Example

Scenario: Lender originates a \$10M loan and purchases 50% risk coverage (\$5M) from Locus

In the event of a \$10M credit loss:

1. \$10M charge off on Lender's balance sheet
2. Lender files claim with Locus for \$5M
3. Locus pays \$5M to Lender
4. Lender recovers \$1M from borrower
5. Lender sends \$0.5M of the recovery to Locus
6. Lender loses \$4.5M, not \$9M



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