

Bank of Labor Key Investor in Affordable Housing Fund

IMPACT Mortgage Opportunities Fund (the ‘Fund’), which seeks to preserve existing affordable multifamily properties in underserved communities, recently exceeded its initial capital target and raised \$210 million from six large institutional investors, including Bank of Labor, headquartered in Kansas City, Kan.

The Fund’s successful close signifies the impact financial institutions can make on affordable housing. Investors joining Bank of Labor include Farmers Insurance, Nationwide and Pacific Life Insurance Company.

“IMPACT’s mission aligns well with our Bank’s efforts to support the working class in Kansas City and across the country,” noted Joe Schoonover, First Vice President, at Bank of Labor.

Since 2001, IMPACT has invested over \$1B in affordable housing. Unfortunately, the nation’s housing crisis faces an immediate threat: affordability restrictions on hundreds of thousands of federally assisted homes are set to end over the next several years, placing these properties at risk of becoming market-rate rentals. In 2021 alone, affordability restrictions on more than 123,000 federally assisted units are due to expire.

The Fund helps address this need by providing high-quality, short-term bridge loans to developers and owners of affordable housing who want to preserve their properties’ affordability status. The loans provide borrowers time to apply for permanent financing and government subsidy programs.

“IMPACT will bring tremendous value to developers from the Kansas City region who are

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seeking bridge or permanent financing on affordable housing projects,” stated Schoonover. He added, “Bank of Labor has the know-how to assist with scoping local projects and helping developers successfully navigate the funding.”

Over the lifespan of the Fund, IMPACT expects to preserve over 5,000 affordable units across the United States. “To address the critical need for quality, safe, and affordable housing across the country, we have to meet the short-term challenge of preserving the current at-risk housing supply,” said Jeff Brenner, IMPACT’s President and Chief Executive Officer.

“IMPACT’s Mortgage Opportunity Fund means funding for developers that will result in thousands of more affordable homes from the Midwest to the coasts,” noted Schoonover. He added, “It’s exciting to be behind this effort to provide new housing opportunities to families ready to settle into a community.”

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About Bank of Labor

Founded in 1924 by the International Brotherhood of Boilermakers, Bank of Labor’s roots run deep within the community of greater Kansas City and in Labor markets across the country. For nearly 100 years we have stayed true to our original mission to be a bank that working men and women, small businesses and Labor could trust with their hard-earned money.

About IMPACT

Founded in 1998 by leading insurance companies to generate institutional-quality, purpose-driven investments, IMPACT Community Capital is a leading investment manager in impact investing. One of the first managers to use mortgage-backed securitization to deliver capital in scale for affordable housing, the firm has now originated \$2 billion investments to provide affordable housing, healthcare, childcare and economic opportunities. IMPACT delivers institutional investment solutions that unlock value for investors while advancing opportunity in underinvested communities through impact driven investments.
