INVESTMENT SPOTLIGHT

JAX Microfinance Fund

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Investment Spotlight

JAX Microfinance Fund

The JAX Microfinance Fund (JMF) is helping to level the lending playing field for under-resourced borrowers in Northeast Florida. The JMF invests in innovative and non-predatory online platforms that will lend to small business owners and individuals in seven counties, emphasizing lending to women and people of color.

JESSIE BALL DU PONT FUND

JAX MICROFINANCE FUND

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Investor: Jessie Ball duPont Investee: JAX Microfinance Fund

RECAP

The Jessie Ball duPont Fund seeded the JMF with an investment to increase access to affordable capital to under-resourced borrowers—providing a more equitable lending ecosystem in Northeast Florida.

The Need

Predatory lending strips low-wealth residents and communities of color of their opportunity to access affordable capital and build wealth that would raise up entire communities. It is estimated that about 170,000 Jaxsons rely on high-interest lending through payday lenders, pawn shops, auto and online personal loans.

The Opportunity

The JAX Microfinance Fund (JMF) will identify and invest in technology platforms to connect borrowers to capital.

JMF will also connect borrowers to local credit unions and CDFIs for credit repair and credit builder programs to support long-term access to affordable capital.

The Impact

1) Increase access to capital for under-resourced borrowers

2) Ensure loan capital is affordable or priced below predatory lending rates

3) Contribute to a healthier and more equitable lending ecosystem in Northeast Florida

4) Mitigate risk among investors and provide a return on their investment.

WHO

The JAX Microfinance Fund connects affordable online lending platforms to NE Florida borrowers, ensuring more low-resourced individuals and entrepreneurs can access non-predatory-priced options.

About JAX Microfinance Fund

The JAX Microfinance Fund (JMF) is designed to level the lending playing field for under-resourced Northeast Florida borrowers. JMF invests in innovative non-predatory fintech platforms that will lend to small business owners and individual/consumers, emphasizing women borrowers and borrowers of color. The first investment from the JMF is in Honeycomb Credit, a crowdfunding investment platform for small businesses that is now working in Northeast Florida.

Geography

Seven counties in Northeast Florida:

- Baker
- Clay
- Duval
- Flagler
- Nassau
- Putnam
- St. Johns

Sectors & SDGs

WHAT

The Jessie Ball duPont Fund seeded JMF with a $300K investment. The total investment target for JMF is $650K with a min of $400K and max of $750K. Full capital deployment is anticipated by the end of 2023.

Total Investment

$300K PRI

INVESTOR	SIZE	TYPE	POOL	DURATION
Jessie Ball duPont Fund	$300K	Debt	PRI	2022-29
Community Foundation for Northeast Florida*	$250K	Debt	Loan	2022-29
Anonymous Family	$5K	Debt	Loan	2022-29

Target Return

5.0% Net IRR

Investment Structure

- 7-year debt agreement maturing on 12/31/2029
- Anticipated full capital deployment by 12/31/23
- 0% fee for duPont Fund staffing for day-to-day administration. Cost-only external expenses (e.g. account fees, accounting, tax, audit, diligence, and legal)
- Minimum commitment:
  - $25,000 institutional investors / DAFs
  - $5,000 individuals / families

**Term sheet submitted and nearing finalization*

HOW

The nature of the JMF lending process and its the stakeholders to increase equitable access to affordable capital

Co-Lenders

Principal →
← Principal & Interest

Principal →
← Principal & Interest

Principal →
← Principal & Interest

Principal →
← Principal & Interest

JAX Microfinance Fund LLC
501c(3)

Debt Facility

Terms:
7 year Investment Period

Pro rata share of returns/losses

Objective:
Increase equitable access to affordable capital for individuals/consumers and entrepreneurs, prioritizing low-income women and borrowers of color.

Fintech Opportunities

Loan Investment →
← Investment Return
1

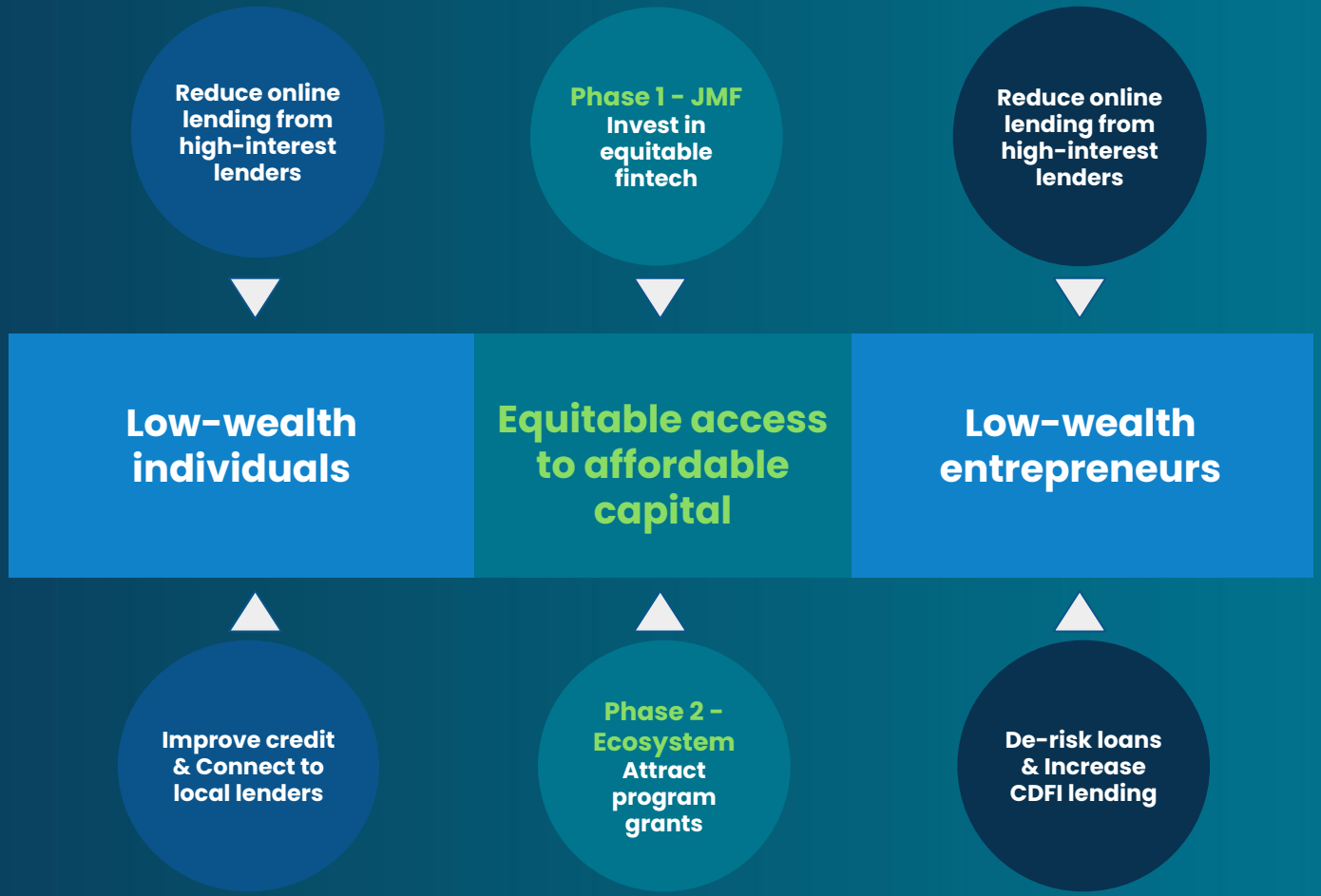
Loan Investment →
← Investment Return
2

Loan Investment →
← Investment Return
3

Loan Investment →
← Investment Return
#

IMPACT & MEASUREMENT

Through JMF's first investment in Honeycomb Credit, six Northeast Florida small businesses and entrepreneurs have successfully completed crowdfunding campaigns since May 2022.



“Honeycomb has provided small business owners like myself a model where we can grow with our community, and everyone prospers. I’m excited to fund Irie Diner’s next phase with the backing of my community and those who patron my restaurant.”

PETER JACKSON
IRIE DINER CARIBBEAN RESTAURANT,
ORANGE PARK, FL

“Jacksonville is one of the fastest-growing metropolitan areas in the country. Small businesses are eager to meet this growing demand but may not have the same access to capital as corporate chains. Honeycomb is helping bridge this gap by encouraging members of the community to invest local.”

GEORGE COOK
HONEYCOMB CREDIT

IMPACT & MEASUREMENT

Launched in June 2022, JMF is designed to track these metrics over time:

- Small business loans deployed
- Borrowers who save on interest rate
- Individual/consumer loans deployed
- Borrowers in low-income communities
- Small business loans repaid
- Women borrowers
- Individual/consumer loans repaid
- Borrowers of color
- Borrowers connected to JMF via platform
- Jobs supported
- Borrowers connected to local lender
- Small business year-over-year revenue

100%

of investments (to date) have been in businesses owned by women and people of color

“Supporting our region’s small businesses – who are also key employers – is core to our shared goal of creating a more vibrant, inclusive community.”

CHRIS CROTHERS
JESSIE BALL duPONT FUND