

J.P. Morgan Chase puts \$9.5M into charity lender IFF

By: Steve Daniels
July 07, 2010

(Crain's) — J. P. Morgan Chase & Co. has made a \$9.5-million investment in IFF, the largest single investment ever made in one of Chicago's largest lenders to non-profit groups.

IFF is a non-profit community development lender founded in 1988 that specializes in loans to other non-profits to finance capital projects. Its lending has grown substantially in the last two years as demand for financing increases.

Fewer banks are lending to non-profits, many of which are beset by shrinking revenue, higher demand for their services and a state budget crunch that has left many unpaid by Illinois government agencies for the services they have provided.

Last year, IFF lent \$56 million to non-profits in Illinois, Wisconsin and Indiana. That was up from a little over \$30 million the year before. This year, IFF expects to lend between \$45 million and \$50 million, a spokesman says.

IFF has assets of nearly \$166 million. It's supported largely by low-interest loans from banks. Northern Trust Corp. is the single largest investor in IFF, with Harris N.A. another major local contributor.

But the group is now attracting notice from the industry's giants. Bank of America Corp. provided an \$8-million loan last year, and J. P. Morgan's recent contribution is by far the largest it has made to IFF.

IFF expects to announce another two large contributions from major banks within the next few months, the spokesman said.