



Congregation Loans Information Source



Lutheran Church Extension Fund

> where investments build ministry

Why Use LCEF for Your Congregation's Loan?

Lutheran Church Extension Fund (LCEF) is a unique ministry-through-investment organization of The Lutheran Church—Missouri Synod (LCMS). LCEF facilitates a partnership circle of investing and borrowing that empowers the sharing of the Gospel. Investors earn a competitive interest rate on their investments. In turn, LCEF offers loans with competitive rates and closing costs. This allows you to keep more of your money invested in the ministry.

Embracing the LCMS

LCEF understands the unique needs of LCMS ministries. We are energized by plans to enhance spaces and places to reach out with the Gospel. We can help with loans for construction, remodeling and expansion. We also provide loans for seasonal borrowing needs and building improvements.

Online Tools – Perfect for Staying Focused on Ministry

You can apply for online access to your loan information through a secure, easy-to-use site. *MyAccount* supports stewardship efforts by using low-cost methods to complete transactions or view your statements. You can even set up alerts letting you know your balance or when a payment is due—keeping you informed while on the go.

Ready to learn more?
Call: 800-843-5233
Visit: lcef.org



SECURED LOANS

Permanent Loan

- **Purpose/Description:** Various purposes including property purchase (improved or vacant) renovations/remodel, refinance.
- **Dollar Amount:** Determined based on underwriting. Loan amounts based on ministry needs, collateral value and underwriting to determine financial resources available to meet the monthly debt service.
- **Term:** Standard term of 20 years.
- **Interest Rate:** Adjustable and fixed interest rates available.

- **LCEF Loan Fee:** Up to 1%
- **Title Insurance*:** \$2.50 per \$1,000 of loan amount plus endorsement fees. (Example: \$1 million loan is approximately \$2,500 in title insurance.)
- **Mortgage Tax*:** \$2.30 per \$1,000 of loan amount. (Example: \$1 million loan is approximately \$2,300 in mortgage tax.)
- **Recording Fees:** Approximately \$100–\$200 per mortgage.
- **Note:** Loan fee may be included in the loan amount and disbursed from loan proceeds at closing or paid by borrower at closing.

** Not applicable in all states. Cost indicated could be more in some locations.*

Construction Loan

- **Purpose/Description:** To fund new construction and renovations.
- **Dollar Amount:** Determined based on underwriting. Loan amounts based on ministry needs, collateral value and underwriting to determine financial resources available to meet the monthly debt service.
- **Term:** Up to two years interest-only payments during construction, then converts to permanent loan.
- **Interest Rate:** Typically 1% above the then-prevailing adjustable rate during construction.
- **Note:** Monthly billing of interest-only payments during construction based on amount disbursed to date. When loan is converted to term debt, payments are converted to monthly principal and interest. Permanent loan interest rate may be adjustable or fixed.

- **LCEF Loan Fee:** Up to 1%.
- **Title Insurance*:** \$2.50 per \$1,000 of loan amount. (Example: \$1 million loan is approximately \$2,500 in title insurance plus endorsement fees.)
- **Mortgage Tax*:** \$2.30 per \$1,000 of loan amount. (Example: \$1 million loan is approximately \$2,300 in mortgage tax.)
- **Recording Fees:** Approximately \$100–\$200 per mortgage.
- **Note:** Fees paid at construction loan closing are not charged again at the permanent loan closing.

** Not applicable in all states. Cost indicated could be more in some locations.*

SECURED LOANS

Short-Term Loan

- **Purpose/Description:** Various purposes including seed money to support new ministry, expansion of an existing ministry, funding pre-construction costs.
- **Dollar Amount:** Determined based on underwriting. Loan amounts based on ministry needs, collateral value and underwriting to determine financial resources available to meet the monthly debt service.
- **Term:** Three years of interest-only payments, then balloons or converts to term loan.
- **Interest Rate:** Adjustable or fixed rates are available.
- **Note:** Principal payments may be made during first three years, but are not required until loan is converted to term debt. Any principal payments made cannot be reborrowed.

- **LCEF Loan Fee:** Up to 1%.
- **Title Insurance:** \$2.50 per \$1,000 of loan amount (if secured with a mortgage).*
- **Mortgage Tax:** \$2.30 per \$1,000 of loan amount plus endorsement fees (if secured with a mortgage loan).*
- **Recording Fees:** Approximately \$100–\$200 per mortgage.

** Not applicable in all states. Cost indicated could be more in some locations.*

Line of Credit

- **Purpose/Description:** Short-term capital needs, cash-flow deficiency, seasonal need, etc.
- **Dollar Amount:** Up to 15% of annual income.
- **Term:** Up to three years.
- **Interest Rate:** COF + up to 2.5%, adjusted monthly.***
- **Note:** Additional conditions may be required. Credit limit of 15% of previous year's income. Loan may qualify as an unsecured loan.**

- **LCEF Loan Fee:** Up to 1%, payable at closing.
- **Title Insurance:** \$2.50 per \$1,000 of loan amount (if secured with a mortgage).*
- **Mortgage Tax:** \$2.30 per \$1,000 of loan amount plus endorsement fees (if secured with a mortgage).*
- **Recording Fees:** Approximately \$100–\$200 per loan.

** Not applicable in all states. Cost indicated are estimates only.*

*** Unsecured loan availability subject to underwriting qualifications.*

**** LCEF's cost of funds is defined as the weighted average of the rate paid to LCEF investors which is the average cost to LCEF of the funds it is lending.*

UNSECURED LOANS

Unsecured Loan** (excluding SMART, CHIL and Lines of Credit)

- **Purpose/Description:** Repairs and maintenance, remodeling, refurbishing, etc.
- **Dollar Amount:** Maximum of \$100,000. (Restrictions apply.)
- **Term:** Maximum of 15 years.
- **Interest Rate:** Adjustable or fixed rates available.

- **LCEF Loan Fee:** Loan fee of \$300 for loan amounts up to \$50,000; \$350 for loan amounts of \$50,001 to \$100,000; and \$500.00 on loan amounts greater than \$100,000.
- **Title Insurance:** Not applicable.
- **Mortgage Tax:** Not applicable.
- **Recording Fees:** Not applicable.
- **Note:** Loan fee may be subtracted from disbursement of loan proceeds at closing.

*** Unsecured loan subject to underwriting qualifications.*

SMART Loan

- **Purpose/Description:** Available to schools/school associations, including congregations operating a school to meet property and equipment needs of schools (technology and security upgrades, facility repairs and maintenance, vehicle purchase, equipment upgrades. Proceeds are NOT for cash flow or operating expenses.
- **Dollar Amount:** Maximum of \$150,000, cumulative.
- **Term:** Maximum of 10 years.
- **Interest Rate:**
 - o First 12 months at 0%.
 - o Second 12 months at LCEF COF.***
 - o Remaining term at COF + up to 2.5%, adjusted annually.***

- **LCEF Loan Fee:** \$350.
- **Security:** Loan may be unsecured as determined by underwriting.
- **Closing Costs:** May apply if loan is secured.

**** LCEF's cost of funds is defined as the weighted average of the rate paid to LCEF investors which is the average cost to LCEF of the funds it is lending.*

UNSECURED LOANS

Church Improvement Loan (CHIL)

- **Purpose/Description:** Available to congregations for facility deferred maintenance and property improvements (not new construction). Proceeds are NOT for cash flow or operating expenses.
- **Dollar Amount:** Maximum of \$150,000, cumulative.
- **Term:** Maximum of 10 years.
- **Interest Rate:**
 - o First 24 months at LCEF COF adjusted annually.***
 - o Remaining term at LCEF COF + up to 2.5% adjusted annually.***

- **LCEF Loan Fee:** \$350.
- **Security:** Loan may be secured as determined by underwriting.
- **Closing Costs:** May apply if loan is secured.

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Lutheran Church Extension Fund

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Lutheran Church Extension Fund-Missouri Synod. 10733 Sunset Office Drive, Suite 300, St. Louis, MO 63127-1020. 800-843-5233. lcef.org. NMLS #3444. Illinois Residential Mortgage Licensee (MB.0006057). Loans made or arranged pursuant to a California Law License (6037619). Nebraska Mortgage Banker License (540). For more information on LCEF's lending license go to lcef.org/state-disclosures/. LCEF Residential Loan applications are accepted from: Arizona, California, Colorado, Florida, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, Ohio, Texas. Washington, Wisconsin. Specific state regulations are applicable in Arizona and Wisconsin. Call 800-853-5233 for details. All cash-out refinances and straight refinances in excess of 80% loan-to-value are not available in Texas. For those states not listed above, RCW mortgage loans are available through the Lutheran Federal Credit Union (LutheranFCU). While together LCEF and LutheranFCU support the mission and ministry of The Lutheran Church—Missouri Synod, they are independent organizations and not affiliated with each other. Lutheran Federal Credit Union: 10733 Sunset Office Drive, Suite 406, St. Louis, MO 63127-1020. Phone number: 314-394-2790. Website: Lutheranfcu.org. (NMLS# 1301052) 1122L048