



Incentive Rebate Plan

A Partnership between Congregations, Members & Church Extension Fund

Supporting investments from individuals, congregations and other entities provide the funds for Texas CEF to make loans to congregations. Each investor may designate a congregation to receive credit for their invested dollars. Investments are **NOT** pledged for any congregation's loan.

The level of supporting investments is one indication of the strength of the partnership between CEF and the borrowing ministry. The stronger the level of partnership, the better it is for each partner. Texas CEF developed the Incentive Rebate Plan so congregations can receive a discount on their borrowing costs when members invest. The stronger the partnership - the larger the rebate.

At the end of each month the balance in each investors' accounts designated to support the congregation are added together. The sum of all the investments is the numerator of a fraction. The denominator of the fraction is the total outstanding balance of all the congregation's loans. For example: a congregation whose supporters have invested \$1,500,000 and has total loan balances of \$1,000,000 has a supporting investments level of 150% ($\$1,500,000/\$1,000,000$).

The following table shows the tiers in the Incentive Rebate Plan. Calculations are done monthly and 1/12th of the annual amount is accrued. After the end of Texas CEF's fiscal year (January 31) a check is written and sent to the congregation for the amounts earned for the previous twelve months. The checks usually arrive during the second half of February each year. The congregation may use the check for any purpose: a loan principal prepayment, a new ministry endeavor, the purchase of furniture or equipment.

The current index for Texas CEF loans is 3.00%. Congregations that earn the full 2.00% rebate effectively reduce their net cost of borrowing to 1.00%.

Supporting Investments Level	Annual Rebate from Texas CEF	Annual Rebate on a \$1 million Loan
500% +	2.00%	\$20,000
300%	1.75%	\$17,500
200%	1.50%	\$15,000
150%	1.25%	\$12,500
100%	1.00%	\$10,000
75%	0.75%	\$7,500
50%	0.50%	\$5,000
25%	0.25%	\$2,500
10%	0.10%	\$1,000