

Texas District Church Extension Fund

A Ministry of The Texas District of The Lutheran Church – Missouri Synod whose mission is to strengthen congregations to reach the lost, disciple the saved and care for people ... locally and globally.

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Loan Application Form

Loan Availability

Loans are made by Texas District Church Extension Fund ("TDCEF") to congregations of the Texas District for the purpose of providing the physical facilities so that the Gospel can be proclaimed. Loans are made for land, new construction, purchase of existing buildings, renovations, repairs and the refinancing of existing debt. Congregation eligibility is based primarily upon their:

- a) demonstrated ministry focus on fulfilling the Great Commission;
- b) ability to repay without adversely affecting their primary ministry to reach the lost, disciple the saved and care for people;
- c) support for TDCEF Ministry and
- d) support for Texas District and for The Lutheran Church—Missouri Synod.

Application Deadlines

Prompt consideration is given to all loan applications. This application form and the congregation's written five year ministry plan must be submitted for loan consideration. To assist in planning your congregation's project timetable, the following dates should be noted (Congregations receiving financial assistance from The Texas District must first submit this application to the Board for Mission Administration.):

Loan Application Due Date	Board for Church Extension Meeting Date	Texas District Board of Directors Meeting Date
February 3, 2017	March 10, 2017	March 28, 2017
March 31, 2017	May 8, 2017	May 23, 2017
June 2, 2017	July 10, 2017	July 25, 2017
August 4, 2017	September 11, 2017	September 26, 2017
September 29, 2017	November 6, 2017	November 28, 2017
December 1, 2017	January 8, 2018	January 30, 2018

Underwriting Guidelines

The Board for Church Extension ("BCE") uses the following guidelines when considering whether to recommend approval of a Texas District Church Extension Fund ("TDCEF") loan to the Texas District Board of Directors. The principal consideration is that any loan approved would not place a congregation's ministry at risk and that there is a demonstrated ability to repay the loan so that TDCEF investors are not placed at risk. Other factors considered are:

1. The percent of regular annual income allocated for debt service. (A ratio of 25% to 30% or less is desirable.)
2. The ratio of total debt to regular annual giving. (A ratio of 4:1 or less is desirable.)
3. The extent to which the project is supported by congregation members through pledges to a Capital Campaign. (Support for 35% or more of the project's cost in pledges payable over no more than three years is desirable.)
4. The extent to which the congregation's members support the TDCEF ministry.

5. The per communicant indebtedness of the congregation. (A per communicant debt of \$4,000 or less is desirable. [An alternate is to use debt per average worship attendee of \$5,000 or less.])

Bonded Contractor Requirements

TDCEF policy requires that a bonded general contractor be used on projects of \$750,000 or more when TDCEF provides funding.

Construction + Permanent Loan

Construction Phase—Loan Closing

Prior to commencement of construction, the congregation must furnish:

1. A copy of the "Certificate of Existence" from the Texas Secretary of State indicating that its Corporate Charter is current.
2. Copies of the congregation's Constitution and Bylaws together with a certification of their authenticity executed by the secretary.
3. An Affidavit of Resolution that the congregation has approved the loan and authorized its officers to execute the required loan documents.
4. Performance Bonds and Material Payment Bonds assuring performance of the contractors.
5. Copies of signed contracts.

6. A final project budget and cash flow projection.
7. Builders Risk Insurance naming Lender as the "Mortgagee".
8. A Certificate of Insurance from the contractor(s) indicating current coverage of general liability and workmen's compensation insurance.
9. Commitment for title policy showing the Texas District as first lien holder.

The interim construction loan documents must be executed and recorded **BEFORE CONSTRUCTION BEGINS.**

General Practices—Construction Phase

1. Loan fees are charged when the project is complete.
2. Interest is billed monthly (charged to the Loan Advance Account) on that portion actually disbursed to date.
3. At closing the congregation is required to deposit funds with TDCEF in an amount at least equal to the difference between project cost and the amount of the approved loan.
4. All payments made after loan closing will be processed by TDCEF.
5. All costs associated with the loan including: the Title Insurance Policy; Performance and Material Payment Bonds; Escrow Funding Fees; Title Company Closing Costs; Attorneys' fees for document preparation; and the like will be at the congregation's expense.

Permanent Loan Phase

1. Construction advance accounts are closed when the project is substantially complete and a certificate of occupancy has been issued.
2. A permanent loan documents are executed and recorded.
3. The congregation begins making monthly payments thirty days following the effective date of closing the loan advance.
4. Monthly payments must be drafted from congregation's account via ACH.
5. Property and extended coverage insurance policy with loss payable to Texas District LCMS as mortgagee is required.

Other Loans

TDCEF will also make other types of loans for equipment, vehicles, repairs & maintenance, etc. Lines of credit are available to manage cash flow and for capital projects funded from pledged gifts. A short-form application can be found on the Texas CEF website.

Parsonage Loans

TDCEF will finance parsonages and teacherages for congregations. Loans of this type are made only to the congregation and not to an individual. The rate of interest will be at that prevailing for self-supporting congregations. All other loan terms and conditions apply.

Supporting Investments

TDCEF investments made by congregation members or others can be credited to the congregation's supporting investment total. Designation of which congregation a **TDCEF** investment supports is made by each individual investor.

The staff of **TDCEF** is always ready to help the Congregation Representative. Annual training is provided to make the Congregation Representative more effective in presenting the opportunity to become a Church Extension Fund investor to members of the congregation. Effective, active Congregation Representatives are vital to securing and retaining levels of supporting investments that reduce the congregation's effective borrowing cost.

Incentive Rebate Program

Continuation of the **TDCEF** ministry is dependent on and directly related to the level of investments placed with the Fund. To encourage investments, the Incentive Rebate Plan is available on all permanent loans to congregations. Rebates are calculated monthly on permanent loans, are accrued and paid annually in mid-February. Congregations must be current in their loan payments to be eligible for participation in the program.

Rebates of 0.1% to 2.0% can be earned on a congregation's loans (except construction loans.) Rebates are based on the relationship of total investments credited for the congregation's support and total borrowing. Download additional details [here](#).

Loan rebate checks earned by the congregation can be used for any purpose—to start a new ministry, to buy a new piece of office equipment, to make an additional payment against the principal of their loan, etc

More Information

Additional information can be found at www.texascef.org including current rates, a loan payment calculator and other information.

Loan Request

Congregation: _____ **City:** _____
Describe purpose of Loan: _____

Amount of Loan	\$
Interest Rate (3.0% self supporting congregations; 2.25% newly formed congregations)	%
Loan Fees	1/2%
Term of Loan (in years)	Years
Amortization Period (if different from term of loan - in years)	Years

Security for Loan (What property will be used to secure the loan? -- Attach legal description of any real estate that will be used to secure loan to the application.)	

Supporting Investments	
	Current Amount \$
	Current Percentage %

Required Signatures		Pastor
		President
Date:		Secretary

General Information

Street Address: _____

Mailing Address: _____

City: _____ County: _____ ZIP Code: _____

Date Congregation Organized: _____

Name of person authorized by congregation to answer questions concerning this loan: _____

Contact numbers for this person: Home Phone _____ - _____ Office Phone _____ - _____

Professional Staff:

Pastor(s):	<u>Length of Service with this congregation</u>
_____	_____ Years
_____	_____ Years
_____	_____ Years
_____	_____ Years

Other Staff (DCE, etc.):	_____ Years
_____	_____ Years
_____	_____ Years
_____	_____ Years

Physical Properties

Property Size - in Acres _____

Properties Owned	Date		Present	<u>Information on Debt Secured by Property, if any</u>			
	Purchased	Original Cost	Value	Balance	Maturity	Monthly Payment	Interest Rate
Land		\$	\$	\$		\$	%
Church							%
Parsonage							%
Educational Unit							%
Other							%
							%
							%
TOTAL							

Lender for:	Land _____	Educational Unit _____
	Church _____	Other _____
	Parsonage _____	Other _____

Total Congregation Debt

Total Existing Debt on Church Properties shown above	\$ _____
Unsecured Loans (if any) Indicate Lender:	\$ _____
_____	\$ _____
Current TDCEF Loan requested in this application	\$ _____
TOTAL DEBT	\$ _____
TOTAL DEBT PER COMMUNICANT	\$ _____ per communicant
TOTAL DEBT TO AVERAGE ATTENDANCE	\$ _____ per worshiper
TOTAL DEBT PER GIVING UNIT	\$ _____ per giving unit

Demographics

<u>Population:</u>	<u>Area Classification:</u>
Of Community _____	Rural _____
Of County _____	Urban _____
	Suburban _____
	Inner City _____
Population growth in area served during the past decade _____	%
Anticipated population growth next _____	%
Single family dwellings _____	%
Multiple dwellings (apartments, condominiums, etc.) _____	%
Distance to nearest Lutheran Church _____	miles
Distance to nearest LCMS Church _____	miles

Sources of information (indicate those used):

Sales and Marketing Management _____

Local/County Bureau of Statistics _____

Other (list) _____

Family Contributions

If congregation numbers under 200 communicants, list 10 highest family annual contributions; if 200 to 500 list 15 highest; and if 500 or more list 20 highest.

1. _____	11. _____
2. _____	12. _____
3. _____	13. _____
4. _____	14. _____
5. _____	15. _____
6. _____	16. _____
7. _____	17. _____
8. _____	18. _____
9. _____	19. _____
10. _____	20. _____

Per communicant contribution for entire membership last year. Include only contributions to the Congregation's General Fund. \$ _____

Number of "giving units" in the Congregation. Also show contributions per giving unit to the General Fund. \$ _____ Units

Ministry Information

	Historical Data				Current	Projected				
	2013	2014	2015	2016	Year 2017	2018	2019	2020	2021	2022
Average Attendance:										
Weekly Worship Services										
Bible Class - Adult										
Bible Class - Youth										
Sunday School										

Paid Church Staff:

(use full time equivalents, eg. 1/2 time employee = .5 and full time employee = 1)

Pastor(s)										
DCE(s)										
Other Professional (list):										
Secretary										
Office Manager										
Bookkeeper										
Other (list)										

Ministry Information

	Historical Data				Current	Projected				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	Year <u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Membership:										
Communicant Membership - Beginning of Year		-	-	-	-	-	-	-	-	-
Gains:										
Youth - confirmed										
Adult - confirmed, profession of faith, etc.										
Transfers										
Total Gains	-	-	-	-	-	-	-	-	-	-
Losses:										
Transfers										
Other										
Total Losses	-	-	-	-	-	-	-	-	-	-
Net Gain or (Loss) Communicant Membership - End of Year	-	-	-	-	-	-	-	-	-	-
Baptized Membership										
Outreach Ratio (See Note)										

Note: Outreach Ratio is computed by dividing the number of adults added through confirmation, profession of faith, etc. by beginning of the year communicant membership.

Financial Information - General Fund Only

	Historical Data (a)				Current	Projected Results (c)				
	2013	2014	2015	2016	Year 2017	2018	2019	2020	2021	2022
INCOME										
Contributions (1)										
Financial Assistance (2)										
Other (3)										
Other Ministry: (4)										
Total	-	-	-	-	-	-	-	-	-	-

Notes:
 (1) Include regular giving to General Fund
 (2) Indicate the source of the financial assistance [e.g. Texas District, TMAC, "Mother" church, etc.]
 (3) Indicate Source [e.g. gifts, grants, sale of property, etc.]
 (4) Show only the net amounts from separate sheets with details on each ministry if they contribute their surplus to the general fund. Examples include Day School; Mothers' Day Out, Day Care Program, etc.

Notes:
 (a) This data should be available from the congregation's annual parochial reports.
 (b) This column should be the total budget for the current fiscal year.
 (c) This data should be estimated based on your ministry plans. Growth factors alone, such as X% per year, should not be used.

Financial Information - General Fund Only

	Historical Data				Current	Projected Results				
	2013	2014	2015	2016	Year 2017	2018	2019	2020	2021	2022
	-	-	-	-	-	-	-	-	-	-
Income (from previous sheet)	-	-	-	-	-	-	-	-	-	-
Expenses										
Salaries and Benefits										
Operating Expenses										
Debt Service and/or Rent										
District/Synod Support										
Other										
Other Ministry:										
Total	-	-	-	-	-	-	-	-	-	-
Net General Fund Operations	-	-	-	-	-	-	-	-	-	-
General Fund - Beginning of Year		-	-	-	-	-	-	-	-	-
General Fund - End of Year	-	-	-	-	-	-	-	-	-	-

Comparison of Current Years Actual Results to Budget

Number of Months Elapsed in Current Year _____ Months

Month congregation's year ends _____

Current Year To Date

Actual Budget Difference

INCOME

Contributions			-
Building Fund			-
Financial Assistance			-
Other			-
Other Ministry:			-
			-
			-
Total	-	-	-

Current Year To Date

Actual Budget Difference

EXPENSES

Salaries and Benefits			-
Operating Expenses			-
Debt Service and/or Rent			-
District/Synod Support			-
Other			-
Other Ministry:			-
			-
			-
Total	-	-	-
Net General Fund Operations	-	-	-

This schedule should show a comparison of actual results for current year compared to the current year budget. The budget for the full year should have been shown on the Financial Information Schedule. Provide explanation (on separate sheet) of any significant difference between budget and actual results.

Financial Information - Other Significant Ministry

	Historical Data				Current	Projected Results				
	2013	2014	2015	2016	Year	2018	2019	2020	2021	2022
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Name of Ministry:	Use separate sheet for each financially significant ministry that has its own budget. Make additional copies of this page as necessary. Include the net results on the General Fund Financial Information Form if this Ministry's operations affect the Congregation's General Fund.									
Income Sources:										
Total Income	-	-	-	-	-	-	-	-	-	-
Expenses:										
Total Expenses	-	-	-	-	-	-	-	-	-	-
Net Operating Results	-	-	-	-	-	-	-	-	-	-

Note: Show the major revenue and expense associated with this ministry. Include explanation of how revenue is derived. Attach an additional sheet with details on tuition rates, number of students and other relevant data.

Capital Campaign Information

	Historical Data				Current Year	Projected Results				
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Building Fund - Balance Beginning of Year		-	-	-	-	-	-	-	-	-
Building Fund Receipts										
Expenditures:										
For Building Program Costs										
For Loan Principal Reduction										
For Monthly Loan Debt Service										
Building Fund - Balance End of Year	-	-	-	-	-	-	-	-	-	-

Total amount pledged \$ _____ Beginning date of pledge program _____
 Amounts already contributed _____ Completion date _____
 Expected receipts prior to start of construction _____
 Balance to be received \$ _____

Attach a schedule showing pledge amounts to be received for each month during the next three years.

Financial Assets

	Historical Data			
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Bank Accounts:				
Savings Accounts:				
Investments:				
Total	-	-	-	-

Liabilities & Fund Balances

Historical Data
2013
 2014
 2015
 2016

Liabilities

Loans:				
Total Loans	-	-	-	-
Restricted Funds				
Total Restricted Funds	-	-	-	-
General Fund Balance				
Total Liabilities & Fund Balances	-	-	-	-