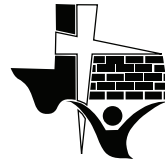


LOAN APPLICATION INSTRUCTIONS



LOAN AVAILABILITY

Loans are made by Texas District Church Extension Fund (Texas CEF) to congregations of the Texas District for the purpose of providing financial resources so that the Gospel may 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 the following criteria:

- a) Congregation's demonstrated ministry focus on fulfilling the Great Commission
- b) Congregation's ability to repay the loan without adversely affecting their primary ministry to reach the lost, disciple the saved and care for people
- c) Congregation's support for the ministry of Texas CEF
- d) Congregation's support for the Texas District and for the Lutheran Church - Missouri Synod

APPLICATION DEADLINES

Prompt consideration is given to all loan applications. This application form, a written five year ministry plan, a Certificate of Resolution authorizing the project, and loan request must be submitted for loan consideration. Once Texas CEF has received these materials, the loan application will be presented to the Board for Church Extension (BCE) and the Texas District Board of Directors for recommendation and approval. 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
November 19, 2024	January 13, 2025	January 28, 2025
January 17, 2025	March 3, 2025	March 25, 2025
March 21, 2025	May 5, 2025	May 12, 2025
May 23, 2025	July 7, 2025	July 22, 2025
July 25, 2025	September 8, 2025	September 23, 2025
October 3, 2025	November 17, 2025	December 2, 2025

UNDERWRITING GUIDELINES

The Board for Church Extension (BCE) uses the following guidelines when considering whether to recommend approval of a Texas CEF loan to the Texas District Board of Directors. The principal consideration is that any loan approved would not place a ministry or Texas CEF investors at financial risk. A loan commitment should demonstrate support of the mission movement of the Texas District. The following guidelines will be evaluated in considering loan approval:

Debt Service Coverage

This risk is calculated as follows: Net income after net expenses divided into annual debt payment amount. Desired ratio is 1:1 with 1:1.25 preferred.

Collateral Position

The valuation of borrower's facilities and property must provide adequate collateral to cover loan amount.

Ministry Vision

A ministry plan is required, detailing the growth trends of the congregation/school (worship attendance/enrollment/financial/leadership) and how the loan will support the advancement of God's Kingdom.

INSTRUCTIONS

Submit this application to Texas CEF together with:

1. The most recent five years' annual financial statements.
2. The current year's budget.
3. The current year-to-date financial statements.
4. Balance sheets for the most recent year end and month end.
5. Statistical information for each of the last five years(may be omitted if all annual statistical reports have been filed with LCMS International Center):
 - a. Average worship attendance.
 - b. Baptized membership.
 - c. Communicant membership.
 - d. Number of new members added.
6. Current copies of:
 - a. Constitution
 - b. Bylaws

Note: Usually the financial report submitted to the church council/board of directors that shows a reasonable level of income and expense will meet our needs. If a balance sheet is not prepared regularly a list showing the amounts in each bank account, savings account, investment and loan payable will be acceptable.

This application and related documents may be submitted electronically to Jones@TexasCEF.org, or mailed to Texas District Church Extension Fund, 1221 Satellite View, Round Rock, Texas 78665.

Questions should be addressed to:
Becca Jones, Executive Director
636.390-3316 (cell)
888.951-1233 x 211 (toll free)
Jones@TexasCEF.org

CONSTRUCTION + PERMANENT LOAN

Construction Phase—Loan Closing

Prior to commencement of construction, the congregation will furnish several documents, as requested in the loan commitment letter, which will be sent upon loan approval.

General Practices—Construction Phase

1. Loan fees are charged when the project is completed.
2. Interest is billed monthly (charged to the Loan Advance Account) on that portion disbursed to date.
3. Before closing, the congregation is required to deposit all necessary funds with Texas CEF to complete the project (total project cost - amount of the approved loan), including additional funds collected from capital campaigns during construction.
4. All payments made after loan closing will be processed by Texas CEF.
5. All costs associated with the loan including the Title Insurance Policy, Performance and Material Payment Bonds, Escrow Funding Fees, Title Company Closing Costs, Attorney's 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. All 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.

BONDED CONTRACTOR REQUIREMENTS

Projects of \$750,000 or more require a bonded general contractor and must include payment and performance bonds.

OTHER LOANS

Texas CEF 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.

Parsonage Loans

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

PARTNERSHIP BETWEEN CONGREGATION AND TEXAS CEF

Continuation of the Texas CEF ministry is dependent on and directly related to the level of investments placed with the Fund.

Supporting Investments

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

Congregation Representative

Each congregation should have a Congregation Representative, who shares the Texas CEF investment options with members of the congregation. Training is provided to ensure the Congregation Representative is prepared to let others in the congregation know about the opportunity to become a Church Extension Fund investor. Effective, active Congregation Representatives are vital to securing and retaining adequate levels of supporting investments.

Incentive Rebate Program

Continuation of the Texas CEF 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, then 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 0.10% to 2.00% 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. Additional details on the program can be found on texascef.org.

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 a loan, etc.

Through investments from Texas District LCMS congregations and their members, Church Extension Fund will be the preferred financial resources partner for district ministries focused on multiplying followers of Jesus.

CONGREGATION LOAN APPLICATION



Texas District Church Extension Fund
1221 Satellite View, Round Rock, TX 78665
Phone 1-888-951-1233
Fax 512-535-1605
TexasCEF.org
facebook.com/texascef

STEP 1: General Information

Congregation Name _____ Date Organized _____

Street Address _____ City _____ Zip Code _____

Mailing Address (if different) _____ City _____ Zip Code _____

Describe the purpose of the loan

Amount of Loan _____ Term of Loan _____ Years

Interest Rate 4.50% Self-supporting congregations 3.75% Newly formed congregations

The interest rate on Texas CEF loans is adjustable every three years.

Security for Loan (List any/all properties will be used to secure the loan. Attach legal description of any real estate that will be used to secure loan to the application.)

Loan Fees: 0.5% Total Cost
(To be charged when project is complete)

Supporting Investments: Current Amount _____
Current Percentage _____

Required Signatures

Signature of Pastor _____ Date _____

Signature of Congregation President _____ Date _____

Signature of Secretary _____ Date _____

Person of Contact: Who is the person of contact (authorized by the congregation) to answer questions concerning this loan?

Name _____ Home Phone _____ Email _____

STEP 2: Professional Staff

Name	Title (Pastor, DCE, Secretary, etc.)	Years of service with this congregation
Name	Title	Years of service with this congregation
Name	Title	Years of service with this congregation
Name	Title	Years of service with this congregation
Name	Title	Years of service with this congregation
Name	Title	Years of service with this congregation
Name	Title	Years of service with this congregation
Name	Title	Years of service with this congregation

STEP 3: Employment History and Projected Goals

Indicate employment history and goals using full time equivalents (Ex: 1/2 time employees = 0.5, full time employees = 1)

				Current	Projected Goals		
	2022	2023	2024	2025	2026	2027	2028
Pastor(s)							
DCE(s)							
Secretary							
Office Manager							
Bookkeeper							
Other (list)							

STEP 4: Demographics

Population of Community _____

Population of County _____

Population growth in area served during the past decade _____%

Anticipated population growth in the next decade _____%

Single family residential dwellings _____%

Multi-family residential dwellings (ex: apartments, condos, etc.) _____%

Distance to nearest Lutheran church _____ miles

Distance to nearest LCMS church _____ miles

Area Classification

Rural Urban Suburban Inner City

Sources used to gather this information

Sales and Marketing Management Company

Local/County Bureau of Statistics

Other (specify)

STEP 5: Ministry Information

Average Attendance

				Current	Projected Goals		
	2022	2023	2024	2025	2026	2027	2028
Weekly Worship Services							
Bible Class - Adult							
Bible Class - Youth							
Sunday School							

Membership

				Current	Projected Goals		
	2022	2023	2024	2025	2026	2027	2028
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) of Communicant Membership (End of Year)							
Baptized Membership							
Outreach Ratio**							

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

STEP 6: Physical Properties

Property Size(s) - in acres _____

	Date Purchased	Original Cost	Present Value	Information on Debt Secured by Property (if any)			
				Balance	Maturity	Monthly Payment	Interest Rate
Land							
Church							
Parsonage							
Educational Unit							
Other							
TOTAL							

Please list the lender(s) for...

Land _____

Educational Unit _____

Church _____

Other _____

Parsonage _____

Other _____

STEP 7: Total Congregation Debt

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

STEP 8: Financial Assets

				Current
	2022	2023	2024	2025
Bank Accounts				
Savings Accounts				
Investments				
TOTAL				

STEP 9: Liabilities and Fund Balances

				Current
Historical Data	2022	2023	2024	2025
Loans				
Total Loans				
Restricted Funds				
Total Restricted Funds				
General Fund Balance				
TOTAL LIABILITIES & FUND BALANCES <i>(General Fund-Liabilities-Restricted Funds = Total)</i>				

STEP 10: Financial Information - General Fund Only

				Current	Projected Goals		
	2022	2023	2024	2025	2026	2027	2028
Income							
Contributions ¹							
Financial Assistance ²							
Other ³							
Other Ministry ⁴							
TOTAL INCOME							
Expenses							
Salaries and Benefits							
Operating Expenses							
Debt Service and/or Rent							
District/Synod Support							
Other							
Other Ministry:							
TOTAL EXPENSES							
Net General Fund Operations							
General Fund-Beginning of Year							
General Fund-End of Year							

Superscripts: (1) Include regular giving to General Fund. (2) Indicate the source of the financial assistance [ex. Texas District, TMAC, "Mother" church, etc.]. (3) Indicate source [ex. 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 schools, mother's day out programs, day care, etc. (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.

STEP 11: Financial Information - Other Significant 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 Financial Information - General Fund Only information form if this ministry's operations affect the congregation's General Fund.

Name of Ministry: _____

				Current	Projected Goals		
	2022	2023	2024	2025	2026	2027	2028
Income Sources							
TOTAL INCOME							
Expenses							
TOTAL EXPENSES							
Net Operating Results							

Please 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/or other relevant data.

STEP 12: Comparison of Current Year's Actual Results to Budget

Number of Months Elapsed in Current Fiscal Year: _____ Month of the Congregation's Fiscal Year End: _____

Please complete both of these charts based on the current fiscal year to date.

INCOME	Actual	Budget	Difference	EXPENSES	Actual	Budget	Difference
Contributions				Salaries and Benefits			
Building Fund				Operating Expenses			
Financial Assistance				Debt Service and/or Rent			
Other				District/Synod Support			
Other Ministry:				Other			
				Other Ministry:			
TOTAL				TOTAL			

NET GENERAL FUND OPERATIONS	Actual	Budget	Difference
TOTAL INCOME			
TOTAL EXPENSES			
Net General Fund Operations			

STEP 13: Building Project Information

Estimated Total Cost for Project

Architect Fees	\$
Engineering Fees	\$
Permits and Inspection Fees	\$
Performance/Payment Bonds <i>(approx. 1.5% of Project Cost)</i>	\$
Site Improvements <i>(parking, landscaping, curbs, sewer/utilities, etc.)</i>	\$
Cost of Building <i>(If the congregation is acting as the general contractor, please complete itemized cost of building chart below.)</i>	\$
Construction period loan interest	\$
Construction of furnishings <i>(organ, pews, chancel, furnishings, etc.)</i>	\$
Title insurance, legal and abstract fees, survey, loan document preparation fees, other closing costs, etc.	\$
Loan origination fees <i>(0.5% of loan amount)</i>	\$
Contingencies <i>(suggested 10-20% of total project cost)</i>	\$
Other costs not included above <i>(list)</i>	\$
TOTAL PROJECT COSTS	\$

Project Financing

Current Building Fund <i>(Cash on Hand)</i>	\$
Anticipated receipts before start of construction	\$
Items included above that have already been paid	\$
Amount of Loan from Texas CEF	\$
TOTAL PROJECT FUNDING	\$

Details of Building Costs *(Complete ONLY if no general contractor)*

Foundation	\$
Framing	\$
Masonry	\$
Steel Structure	\$
Roofing	\$
Electrical	\$
Plumbing	\$
HVAC	\$
Painting	\$
Insulation	\$
Drywall	\$
Floor Coverings	\$
Doors/Millwork	\$
TOTAL BUILDING COSTS	\$

STEP 14: Capital Campaign Information

Beginning Date of Pledge Program: _____ Completion Date: _____

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

Total amount pledged	\$
Amount already contributed	\$
Expected receipts prior to start of construction	\$
Balance to be received	\$

STEP 15: Building Fund

				Current	Projected Goals		
	2022	2023	2024	2025	2026	2027	2028
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)							

STEP 16: Family Contributions

If congregation numbers under 200 communicants, list 10 highest family annual contributions; if 200-500, list 15 highest; if over 500, list 20 highest.

1.	6.	11.	16.
2.	7.	12.	17.
3.	8.	13.	18.
4.	9.	14.	19.
5.	10.	15.	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:	units
Contributions per "giving unit" to the General Fund	\$

STEP 17: Additional Comments

Please use this space to note any additional comments or details that you feel are relevant to this loan application.