



ULTIMATE GUIDE TO
Church Loans



Introduction

Your church or ministry is growing, and you are running out of space to accommodate all the people and activities.





Or ... your church or ministry is looking to expand to another facility or build something completely new.


Or ... your church or ministry needs to upgrade your parking lot or roof or kitchen, and you need capital to make it happen.

Or ... your church or ministry has a high interest rate on an existing loan, and you're looking for a more competitive rate—one that allows you to invest more resources into ministry.

We work with churches and ministries everyday that encounter these and many other similar circumstances.

They are considering a loan or a refinance but don't know how the process works or are intimidated by the perceived amount of paperwork.





At CIF, we are committed to walking with your church or ministry through each step of the loan process ... with the goal of helping you achieve your God-given mission through one of our faith-based financial solutions tailored just for your unique situation.

In this eBook, we've included some of the common questions churches and ministries ask when they are considering a loan. While this isn't a comprehensive list of questions, it should give you a good idea of the basics of how church loans work, what you will need to apply for a loan and how CIF can help you during the process.

Let's get started!

1. How does a church or ministry get a loan, and what does it need for an application?

This one is simple. If a church or ministry wants a loan, it will have to apply. In most cases, it's a lot like applying for a home mortgage. In addition to a completed loan application, CIF will ask you for several documents to help support and verify the information on the loan application—including financial statements that will help determine the amount your church or ministry can adequately support.



Once the information has been verified and CIF helps determine what a healthy amount of debt is to carry, the loan is submitted for a more stringent review and approval process.



2. What are the differences between church/ministry, residential and commercial loans?

First, a church or ministry loan is a type of commercial loan. While the process to apply for a church or ministry loan is similar to a residential loan (see answer to question #1), the loan structure, interest rate indices, terms and fees are different.

CIF is committed to providing your church or ministry with competitive rates, fees and terms that put more of your financial resources back into ministry.

3.

How long does it take to get a church loan?

There is no set time frame. It depends on many factors, including the type of loan your church or ministry is looking for (construction, purchase, refinance, etc.), the amount of money you need, if you are positioned well financially to handle the repayment or if additional funds need to be raised.

Additionally, there are other items that are dependent on third parties, such as appraisal and inspection reports, title work, etc. However, CIF is committed to walking alongside you through the process as expeditiously as possible.

For more information on capital campaigns and how CIF can help, visit: ChristianInvestors.org/CC



4. Can a church take out a second mortgage?

In short, the answer is yes. However, it will depend on who the first mortgage holder is and what existing terms are in place, the level of available equity in the property, and will the church or ministry be able to handle the additional debt payments (see answer to question #1).



Whether it's a first or second mortgage, CIF follows a similar process in determining eligibility.

5. How long are loans amortized?



Generally speaking, CIF amortizes all our church and ministry loans over a period of 10 to 25 years. The shorter the amortization, the quicker the debt is repaid but the higher the required payment.

The exact term is agreed to and negotiated by both CIF and the borrower through the qualification process.

6. Does a church need a down payment?



More than likely the answer is yes. However, each situation is different, whereby some instances and situations exist where minimal or no down payment is required.

CIF will diligently review your church or ministry's situation and transparently discuss what is needed up front.

7. What is a reasonable debt load for a church or ministry to have?



The answer to this question varies on many factors, both qualitative and quantitative in nature, as no two churches or ministries are alike.

For more than 60 years, CIF has been committed to providing faith-based financial solutions

that serve Kingdom expansion. We are passionate about seeing the Kingdom and ministry flourish; therefore, we make certain the debt load is both reasonable and manageable so that ministry isn't impacted negatively.

Conclusion



We hope these answers give you a better idea of how the loan process works and how CIF will walk with you through the entire process.

As we previously mentioned, these are some of the most common questions churches and ministries ask when they are considering a loan. But there are other questions you might have before getting started—or during the loan application process.

Visit **ChristianInvestors.org/Loans** for more information on our loan process and to get started with the application. If you have questions now or during the application process, email us at **Promotions@ChristianInvestors.org**.



We've been providing financial solutions for churches since 1959. Check out a few of our client stories here:

ChristianInvestors.org/Case-Studies

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