



Essential questions and answers to obtaining a **Church Loan**



Christian Investors Financial
Financial Services on a Mission



Introduction

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



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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 ... the mortgage for your church or ministry is ballooning and you're looking for a longer term solution with no prepayment penalties and a lender who better understands your missional goals.

We partner with many churches and ministries to work through these and other challenges together.

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



Introduction



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 to your unique situation.

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

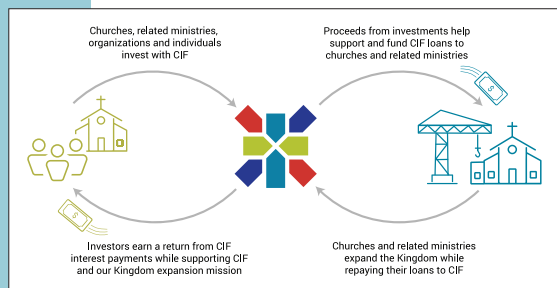
 **Let's get started!**

1. Where does the money come from for CIF church and ministry loans?

At Christian Investors Financial (CIF), we provide the opportunity for you to make impactful investments that support churches and ministries nationwide through our Investment Certificates. This support happens because as Investment Certificates earn interest, they also fund construction, renovation, and real estate financing loans for churches and related ministries.



This means when you invest with CIF, ministry happens.



See “Our Mission in Action” on our website to learn more.



2. Is there a good way to prepare and then contact CIF about a loan?

Yes, there is. Churches sometimes start to set aside funds in their general budget to help establish a pattern for mortgage payments in the future. This is helpful and wise. When the time is right, visit christianinvestors.org. Click on Church Loans, read the information and click the “Contact us to work with a specialist” button. We will gather some initial information. This process helps your church and CIF determine if it is a good time to apply for a loan.

3. How does a church or ministry get a loan, and what does it need to apply?

After receiving your online inquiry, CIF will follow up to get a better sense of your project or purchase and share some helpful advice. If your church and CIF decide to move forward, we'll send a loan application to fill out. In most cases, it's a lot like applying for a home mortgage. In addition to a completed loan application, CIF will ask for several documents to help support and verify the information on the 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.

4. What are the differences between church, residential and commercial loans?

It is important to remember that property-related church loans are commercial mortgages. These differ in many ways from residential mortgages. For starters, the term or length of time for commercial mortgages is often shorter. They are most always adjustable-rate mortgages (ARM) based on terms the parties agree to, while residential mortgages are more often a fixed rate for the entire mortgage term.

Commercial mortgages normally require a greater down payment and do not use mortgage insurance as an offset for a lower down payment. The process for a commercial mortgage also takes longer than a residential mortgage. For church loans, there are many requirements to validate a church's financial operation and condition. This brings assurance of continued ministry strength once the loan is in place.

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



5. 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. CIF is committed to walking alongside you through the process as expeditiously as possible, so there is no need to worry.

For more information on consulting and capital campaigns with us visit: christianinvestors.org and click on Consulting.



6. What if our church already has a mortgage?

In most every case, CIF would need to be the first lien holder for a church property. However, if there is a current mortgage on the books, our process is the same when determining eligibility. It will depend on the level of available equity in the property, and if the church or ministry will be able to handle the additional payments.



In addition to property equity, annual giving income and expenses are important indicators when working to qualify for a church loan.

7. How long are loans amortized?

Generally speaking, CIF amortizes all our church and ministry loans over a period of 10 to 30 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.



8. Does a church need a down payment?



As in most instances where two parties enter into a borrowing agreement, more than likely the answer is yes. However, each situation is different. A minimal down payment or no down payment may be possible for a church with a high amount of equity.

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

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



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

For more than 65 years, CIF has provided faith-based financial solutions that serve Kingdom expansion. We are passionate about seeing the Kingdom and ministries flourish; therefore, we make certain the debt load is both reasonable and manageable so that ministry isn't impacted negatively.

Conclusion



We enjoy walking with churches through the entire loan process, providing peace-of-mind and a shared ministry mindset all along the way.

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



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Visit [**christianinvestors.org**](http://christianinvestors.org) for more information about the loans we offer and to get started by contacting a specialist. If you have questions now or during the application process, email us at [**info@christianinvestors.org**](mailto:info@christianinvestors.org).

We've been providing financial solutions for churches since 1959. Check out a few of our client stories by clicking on **Case Studies** at christianinvestors.org.



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