



A MINISTRY OF

THE NORTH CAROLINA BAPTIST FOUNDATION, INC.

Why did the Foundation decide to start a church loan program?

For several years, we have received a growing number of inquiries from churches needing loans as they expand their mission and ministry. It had become apparent that no other entity in North Carolina Baptist life was providing this service and that the North Carolina Baptist Foundation was the logical agency to assume this responsibility. While our primary ministry will always be to provide endowments and trusts that will go on supporting Christian ministry until our Lord returns, we are convinced that the Lord has opened this new door of opportunity for partnering with growing North Carolina Baptist churches.

For what purpose will loans be made?

Primarily loans will be made for construction, remodeling, land purchases, refinances, interim financing and conduit loans. We will evaluate the purpose of the loan and match a product that best suits the need.

Where is the Foundation getting the money they will loan?

Individuals and churches across North Carolina can purchase certificates of participation and receive a competitive interest rate. The money received will be loaned out to churches for their growth needs. The Baptist State Convention of NC is also providing funding for the program and the Foundation will be using some of its reserve funds as another funding source.

How much will a church be able to borrow?

Loan maximums are determined by the Foundation's loan to deposit ratio. The loan maximum will also be determined by the underwriting criteria that a church must meet before a loan can be made.

What are some of the underwriting criteria that a church must meet?

Some of the general requirements are, a church must have been in existence for at least three years, annual loan payments should not exceed 30% of the undesignated tithes and offerings, and the loan amount should not exceed 80% of the appraised value of the property securing the loan.

What are the terms and rate options for the church loan program?

We offer amortizations up to 25 years and 3 fixed interest rates: a 1 year, 3 year and 5 year rate option. Rates are fixed during the initial period and can adjust up or down at the anniversary date of the option chosen. Current rate options can be found on our web site at www.ncbaptistfoundationorg/church_financial_services.aspx

What are the loan closing costs?

The costs would be similar to the fees that are normal and customary for a loan of this type, i.e. origination fees, attorney fees, appraisal fees, etc.

Will an appraisal be required?

We will require an appraisal. The type of appraisal will be determined by the loan amount and the complexity of the project.

How long will the loan process take once an application has been submitted?

Once an application is complete, it should take no more than two to three weeks to make a decision. After a decision is made, the loan closing process normally takes two-four weeks to complete.

How do I apply for a loan?

You can call Russell Jones, Managing Director of NC Baptist Financial Services at 800.521.7334 ext. 1680 and request an application or go to our web site: www.ncbaptistfoundationorg/church_financial_services.aspx and download an application. A list of financial statement requirements can be found on the application.

What is the Church Growth Investment Fund?

It is an investment account that residents of North Carolina who are members of a North Carolina Baptist congregation or organizations headquartered in North Carolina and affiliated with the Baptist denomination in North Carolina can participate in. The investments are called Certificates of Participation.

What are the terms of the Certificates of Participation?

We offer two types: One is a demand certificate that functions like a savings account and has a variable rate of return. We also offer timed certificates with terms of 6 months to 60 months. The rates on the timed certificates are fixed during the term. Your participation in the Church Growth Investment Fund assures the availability of funds that will be loaned out to churches in need of financing for their expansion projects. Visit our web site at www.ncbaptistfoundationorg/church_financial_services.aspx to obtain a copy of the Offering Circular and current interest rates.

Are the Certificates of Participation insured?

The investments are not insured. Anyone interested in investing in The Church Growth Investment Fund must read the Offering Circular before investing.

How do I invest in a Certificate of Participation?

An application for investment can be found on the exhibits page of the Offering Circular. Upon completing the application, attach your check for the initial investment and mail to North Carolina Baptist Financial Services, 201 Convention Dr. Cary, NC 27511-4257. You can also contact the Foundation's Area Managers for assistance. The minimum investment is \$1,000.00.

You can also contact the Foundation's Area Managers for assistance.

David Webb, Western Area
888-668-0488

Charles Fox, Central Area
866-922-2574

Tom Denton, Eastern Area
877-634-5103

How often can Certificates of Participation be redeemed?

Redemption will be determined by the term of the investment. You can contact NC Baptist Financial Services to redeem your certificates when they mature.

Does NC Baptist Financial Services offer any other services to churches?

Yes, we also offer consultative services. Even if you do not utilize our church loan program, we will be glad to offer assistance as a financial advisor to your project. When beginning a new building project, it is normally a good idea to consult with an experienced church lender before spending money on architectural designs that could prove too costly to build. The consulting services are free of charge.