

# **LCEF Investments, Loans and Services**

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# LCEF

## Investments / Savings

- StewardAccount
- KIDS Savings Stamps
- IRA Accounts
- Term Notes
- Growth Certificates
- Health Savings Accounts
- Dedicated Savings accounts

# Steward Account

- Easy access savings account, meant to emulate a money market savings account
- Free check writing (initial quantity of checks provided free)
- Minimum check amount of \$250.00
- Optional VISA ATM check card
- *My Account* electronic access
- Electronic funds transfer options
- No monthly maintenance or membership fees for VISA card or electronic transfers

# Individual Steward Account

- Purposes, usage examples:
  - Savings account, escrow account, personal tithing
  - “Self employment” tax issues for church workers
  - Parsonage / home equity issues
- Interest rates as of April 2007:
  - 2.375% @ \$100 minimum
  - 2.500% @ \$1,000 minimum
  - 2.875% @ \$5,000 minimum
  - 4.125% @ \$10,000 minimum

# Congregational Steward Account

## ■ Purposes

- Congregational savings accounts
- Congregational building fund accounts
- Congregational Youth Groups, Auxiliary Groups specific savings accounts

## ■ Rates

- 4.125% as of April 2007
- Minimum balance of \$100

# LCEF Loans to Rostered Church Workers

- Housing Loans
- Home Equity Loans
- Consolidation Loans

# Rostered Church Worker "RCW" Loan Program

## ■ Background

- Authorized by resolution adopted at LCMS National Convention
- Housing loan options needed for those without equity or minimal down payment funds available
- Consolidation loan options needed for RCW's with unmanageable debt loads

# Rostered Church Worker "RCW" Loan Program

- Eligibility Requirements
  - Commissioned or ordained minister of LCMS
  - Active or emeritus status
  - Reside in a U.S. state in which the LCEF Housing Loan program is offered
  - Qualify per LCEF underwriting guidelines

# RCW Loans – Underwriting and Approval Process

- All RCW loans are underwritten and approved / denied by the RCW loan staff at the LCEF offices in St. Louis
- Underwriting ratios, guidelines and credit scoring are all used in the loan approval process

# RCW Housing Loans

- Purposes... purchase of a home, refinance of an existing home
- Term... up to 30 years, 1 or 5 year ARM (adjustable rate mortgage) loans
- Rate range, as of April 2007... 5.625% to 6.625%
- Rate Caps... 2.5% annual, 3.5% lifetime
- Fees... .5% loan fee, other closing costs as applicable

# RCW Home Equity Loans

- Purposes... home improvements, pay off higher-interest debt, major purchases
- Term... 5-15 years, fixed rate loans
- Amounts... \$5,000 to \$100,000
- Rate range, as of April 2007... 6.125% to 8.625%
- Fees... LCEF covers \$500 toward closing costs, other closing costs as applicable

# RCW Consolidation Loans

- Purposes... consolidate outstanding loan balances; education debt, credit cards, taxes, medical expenses...
- Term / Amount... up to 7 years, with annual rate adjustment, maximum loan amount of \$40,000
- Rate range, as of April 2007... 7.625% to 9.625%
- Fees... maximum loan fee of \$250, may be referred to free credit counseling

# Organizational Loans Background Information...

- Over 80% of all LCMS congregations at one time have used LCEF to finance a loan
- Began in 1892 in Minnesota South for a congregation in need of a loan for completion of their church building
- As of Dec. 31, 2006 LCEF consists of \$1.4 billion dollars in assets...and over \$978.5 million dollars in loans...that's over 68% in loans receivable

# Types of LCEF Organizational Loans

- Term Loan
- Construction Loan
- Soft Cost Loan
- Jump Start Loan
- Unsecured Loan
- Line of Credit

# Term Loans

- Purposes...New building, additions to building, remodeling, refinancing
- Term... standard of 20 years
- Rate range, as of April 2007...  
6.0% variable rate loan,  
5 year fixed @ 6.25%,  
10 year fixed @ 7.25%
- Fees... 1% loan fee, maximum of \$7,500, other closing costs as applicable

# Construction Loans

- Purpose... access to drawing of funds during construction period of the project
- Term... two year window to complete project
- Rate as of April 2007... 7.0% during construction period
- Fees... 1% loan fee, maximum of \$15,000, other closing costs as applicable
- Note: fees paid at construction loan closing are not charged again once loan is converted to Term Loan after construction

# Soft Cost Loans

- Purpose... working capital for pre-construction costs and professional fees
- Term... three years on interest accrual, then converts to term loan
- Rate as of April 2007... 6.0%
- Fees... 1% loan fee, unsecured up to \$100,000, other closing costs as applicable
- Note: soft cost loans are typically combined with existing and construction loans once project is completed

# Jump Start Loans

- Purpose... Seed money to support a new ministry, expansion of an existing ministry
- Term... three years on interest accrual, then converts to term loan, optional monthly payments for first 3 years
- Rate as of April 2007... 6.0%
- Fees... 1% loan fee, unsecured up to \$100,000, other closing costs as applicable
- Note: it is advisable to make monthly interest payments during the 3 year draw period

# Unsecured Loans

- Purpose... repairs, maintenance, and smaller projects where no collateral is needed
- Term... 5 to 15 years
- Rate as of April 2007... 6.0%
- Fees... \$300 up to \$50,000, \$350 over \$50,000
- Note: maximum loan amount without collateral of \$99,999

# Line of Credit (LOC) Loans

- Purpose... cashflow shortfalls, seasonal needs (such as summer months)
- Term... 5 year term for draw period
- Rate as of April 2007... 6.0%
- Fees... 1% loan fee
- Note: requires a "zero debt period" of 30 consecutive days in each 12 month period

# LCEF Arch of Services

*Need help building your ministry vision?*



Planning Process Recommended by LCEF

# LCEF Services

- Loans and loan consultations
- Demographics services
- KIDS savings stamps
- Promotion assistance
- Consecrated Stewards workshops
- Capital Funding Services
- Strategic Ministry Planning
- Laborers for Christ
- Architectural Advisory Board
- Gift Planning Services

# Questions?...

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LCEF National Toll-Free 1-800-THE-LCEF

[www.lcef.org](http://www.lcef.org)

[www.mns.lcms.org](http://www.mns.lcms.org)