



*Iowa United Methodist Foundation*

**Building Fund Trust  
Church Loan Program**



## ***Borrowing From The Trust***

The Building Fund Trust was created to promote the construction and renovation of Iowa United Methodist Churches through a building loan program. The Trust is sponsored by the Iowa United Methodist Foundation which was established in 1952. The Trust generally lends at a lower rate than those charged by commercial banks and other financial institutions for qualifying applications.

The Trust exists for the exclusive purpose of using the proceeds from the sale of Certificates of Participation to provide loans to churches and affiliated entities. Certificates are issued in one, three or five year terms with a minimum investment of \$1,000.00. The rates are declared on the first business day of the month.

## ***Types of Loans Available***

Not every church has the same financial needs, which is why the Trust provides a wide array of loans. Some examples include: new construction, renovating projects, property acquisition and development, refinancing debt and big and small technology/appliance updates. Project eligibility is determined by the Trustees of the Trust.

Loans are usually secured by a first mortgage on real estate or other assets. The Trust will lend up to 70% of the cost of purchasing, constructing or remodeling of project and amortized over a fifteen year period. It is anticipated that such loans would be renegotiated every 5 years.

Only in rare instances will second mortgages or unsecured loans be underwritten. Unsecured loans are restricted to terms of five years or less and amounts under \$50,000.00.

Interest only construction loans are offered for terms up to one year in length.

## ***How Do We Apply***

If your church is in need of loan, the first step would be to review our Offering Circular and to fill out our loan application and send in required documentation to the Foundation. These items can be found on our website ([www.iumf.org](http://www.iumf.org)) or requested from staff. The Trustees of the Building Fund Trust will conduct a loan review and notify the church about their decision.

Loans are approved on the basis of repayment ability based on the church's financial history, funds on hand and the collateral to be pledged.

## ***Additional***

All loans will have no prepayment penalties and will be non-assumable by other parties.

The borrower is responsible for all closing costs, legal fees, filing fees, etc.

The borrower must also provide an updated abstract to the Trust.



## *Burlington First United Methodist Church*



After Fire



Today

The Burlington First United Methodist Church was a victim of arson fire back in 2007, leaving only a shell of a church. The Iowa United Methodist Foundation was able to loan the church funds to help rebuild it.

### **Iowa United Methodist Foundation**

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

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IMPORTANT INFORMATION AND EVENTS POSTED

