



**FLORIDA
UNITED METHODIST**
foundation



How To Get A Loan

Andy Craske
Vice President, Loans and Investments



Benefits of borrowing from FUMF

- Loan rates that are significantly lower than typical commercial rates.
- Loans that can be used to refinance current loans or fund construction, expansion, repair, renovation or other capital needs.
- Loan terms up to 20 years.



Benefits of borrowing from FUMF

- Flexible amortization schedules.
- Competitive closing costs with no application fees or points.
- A loan officer who specializes in loans to churches and agencies and is experienced in complying with United Methodist Book of Discipline's guidelines for building and loan projects.

Steps in the process

1. Connect with your district superintendent (DS) to schedule a church meeting.
2. Hold the church meeting.
3. Complete a loan application.
4. Collect signatures (DS, pastor, lay leader).
5. Answer questions on page 6.
6. Attach financials.
7. Send it all to Andy Craske.

Steps in the process

■ Steps 1 & 2 – Church meetings

- The DS will determine what meeting the church needs to hold (we defer to DSs for Discipline-related requirements).
- Church meetings need a minimum of **10 days advance notice** — which must be factored into the timing of the full process.
- The secretary must record the resolution/summary of the meeting on page 5 of the loan application.

Steps in the process

■ Step 3 – Loan application

- Complete the PDF application online: [Church-Agency-Loan-Application.pdf](#)
- Print the application and gather signatures (pages 5 and 6).
- The application covers a wide range of loan requests. Some sections will not apply.
- Questions? Call or email Andy Craske: [**acraske@fumf.org**](mailto:acraske@fumf.org), 863-904-2970, ext. 7104.

Steps in the process

■ Step 4 – Signatures

- Page 5 has three sections requiring signatures:
 - Top: Secretary (after church meeting summary)
 - Middle: DS/District Committee (if needed)
 - Bottom: DS and pastor – consent and acknowledge following requirements of Discipline.
- Page 6: For lay leadership to acknowledge the loan request.

Steps in the process

- **Step 5 – Questions, page 6**
 - Additional information must be provided and/or attached:
 - Project description, cost breakdown, budgets, etc.
 - Apportionment record: if the church provided less than 100% apportionment support in any year during the previous five years, background and action plan to remedy are required.
 - Community impact and program support (brief summary).

Steps in the process

■ Step 6 – Financials

- Financial reports must be attached:
 - Year-end reports (income statement and analysis of revenues and expenses; balance sheet) for previous two years (2021 and 2020).
 - YTD reporting for current year (2022).

Steps in the process

■ Step 7 – Approval process

- Begins after completed application has been signed and submitted.
- Approval times range from:
 - **One day** (less than \$500,000)
 - **One week** (less than \$3 million)
 - Approximately **two weeks** (\$3 million to \$8.5 million maximum)

Steps in the process

- **Step 7 – Approval process**
 - After approval, a commitment letter describing terms and conditions is sent to the church.
 - It must be signed and returned to begin creation of loan documents.
 - Document creation and closing processes: **two weeks.**
 - Receipt of application to closing: **30 days**

Costs and miscellaneous

- Closing costs include doc stamps, title insurance, recording.
 - Can be covered by loan proceeds – recommend getting approval as “**\$x.xx PLUS closing costs**” (with DS and church leadership).
 - Backed into final loan amount.
 - Can be paid “outside” of closing.

Costs and miscellaneous

- FUMF works hard to help churches avoid added costs.
 - Example: Using tax assessed property value instead of new appraisal (which can cost thousands).
- FUMF does not charge fees, points, origination, etc.
- There are **no** prepayment penalties or fees.



Interest rates

- Current interest rates: **1.75%** on deposits to the Development Fund; **3.75%** on loans from the fund.
 - Any Florida resident, business or agency can invest in the Development Fund.
- FUMF board meets quarterly to set deposit and loan rates.
 - The loan rate is a **variable rate**, but **the monthly payment amount is fixed** at closing.
 - Allows churches to budget and plan accordingly, knowing what they pay each month.

Interest rates

- 2% spread between the two rates.
 - Fulfills FUMF's mission to give **top-of-market** rates on deposits in the Development Fund and **bottom-of-market** rates for loans from the fund.
- The history of rates is available at:
<https://www.fumf.org/development-fund/>

Loan portfolio

- FUMF has been making loans this way since 1976:
 - Provided more than **\$408.90 million** in loans to Florida Conference churches and agencies.
 - Never had to foreclose or take a loss on a loan.
- At year-end: 162 open loans; total balance of \$108.16 million outstanding.
- \$8.5 million maximum loan amount.
- **More than \$49 million available to lend.**

Questions?

Contact:

Andy Craske

acraske@fumf.org

863-904-2970, ext. 7104



WWW.FUMF.ORG
FOUNDATION@FUMF.ORG
866-363-9673

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@FloridaUMF