

MAKING ROOM

The United Methodist Foundation Loan

The United Methodist Foundation will provide an interest-only construction line of credit for a period of 2–2.5 years. This allows time for the church to have a capital campaign with all proceeds paid toward the principal of the line of credit. At that time, the balance of the line of credit flips to a conventional construction loan at 3.5% interest upon which we will pay monthly principal/interest payments.

Monthly payments on interest-only loan of \$1,000,000

\$2,917-3,014/month

(depending on the number of days/month)

How does this payment breakdown per member?

498 active family units \$6.02/unit/month

189 pledging units (January 2017)* \$15.87/unit/month

Monthly Principal/Interest Payments on construction loan

Monthly payments will be based on the amount of principal that remains following the capital campaign.

Loan amount	payment
\$750K	\$4,354 per month
\$600K	\$3,484 per month
\$500K	\$2,915 per month
\$250K	\$1,453 per month

The term of the loan is 20 years. According to the United Methodist Foundation, the average length of the loan is 6 years rather than the 20 year term. This is because churches often commit to paying additional principal on the loan each month in order to shorten the life of the loan.