

**OHIO DISTRICT LUTHERAN CHURCH
EXTENSION FUND
RESIDENCE ASSISTANCE LOAN PROGRAM**

THE OHIO DISTRICT LUTHERAN CHURCH EXTENSION FUND, INC. ("ODLCEF") LOANS MONEY TO CONGREGATIONS TO ASSIST **ROSTERED** CHURCH WORKERS WITH THE PURCHASE, RENOVATION OR EXPANSION OF THEIR PRINCIPLE RESIDENCE.

THE CONGREGATION MAY APPLY TO THE ODLCEF FOR A LOAN OF UP TO \$150,000 FOR A PERIOD NOT TO EXCEED 30 YEARS (360 MONTHS).

THE ODLCEF **DOES NOT** LOAN MONEY TO INDIVIDUALS, ONLY CONGREGATIONS.

HOW DOES THIS WORK?

THE CONGREGATION APPLIES FOR A LOAN ON BEHALF OF THEIR **ROISTERED** WORKER (PASTOR, DEACONESS, PRINCIPAL, TEACHER, DCE, and DCO), THROUGH THE ODLCEF. THE APPLICATION IS AVAILABLE BY CALLING THE DISTRICT ODLCEF OFFICE AT (1-800-901-2297) OR IT IS AVAILABLE ON-LINE AT OH.LCMS.ORG (CHURCH EXTENSION HOT BUTTON). YOU MAY ALSO EMAIL LISA JANIK AT janikl@oh.lcms.org.

APPROVAL OF RESIDENCE ASSISTANCE LOAN APPLICATIONS IS GIVEN EITHER THROUGH REGULARY SCHEDULED MEETINGS OF THE ODLCEF BOARD OF TRUSTEES OR ITS DESIGNEE. THE CONGREGATION IS NOTIFIED WITHIN ONE WORKING DAY OF APPROVAL.

THE APPLICATION AND CCR ARE TO BE COMPLETED AND SIGNED BY THE APPROPRIATE CONGREGATIONAL REPRESENTATIVES AND RETURNED TO THE ODLCEF OFFICE. THE ODLCEF OFFICE MUST HAVE THE SIGNED CCR IN ORDER TO RELEASE FUNDS.

HOW ARE THE FUNDS RELEASED?

WHILE AWAITING THE RETURN OF THE CCR, THE ODLCEF OFFICE IS IN CONTACT WITH THE CHURCH REPRESENTATIVE, THE ROSTERED WORKER, AND THE REALTY COMPANY TO DETERMINE THE CLOSING DATE AND MAKE ARRANGEMENTS FOR A WIRE TRANSFER OF THE FUNDS THE MORNING OF THE CLOSING DATE PROVIDED OR A CHECK CAN BE SENT DIRECTLY TO THE CONGREGATION.

HOW IS THE LOAN SECURED?

THE DATE FUNDS ARE TRANSFERRED A "PROMISSORY NOTE" AND A "WARRANTY DEED" NEEDS TO BE PREPARED BETWEEN THE CONGREGATION AND THE **ROSTERED** WORKER (NORMALLY BY THE TITLE COMPANY) AND THE "WARRANTY DEED" IS RECORDED IN THE COUNTY RECORDER'S OFFICE. NEXT A MORTGAGE NEEDS TO BE PREPARED, FILED, AND RECORDED BETWEEN THE CONGREGATION AND THE **ROSTERED** WORKER (SAME DAY AS CLOSING). THE ODLCE OFFICE CANNOT PREPARE THE NOTE, WARRANTY DEED, OR THE MORTGAGE DEED BETWEEN THE CONGREGATION AND THE **ROSTERED** WORKER. THIS STEP IS THE CONGREGATIONS RESPONSIBILITY AND **MUST** BE COMPLETED IN A TIMELY MATTER. PLEASE CONTACT LISA JANIK AT THE ODLCE OFFICE WITH ANY QUESTIONS YOU MAY HAVE WITH THIS PROCESS.

WE NOTIFY OUR LEGAL COUNSEL TO PREPARE THE DOCUMENTATION NECESSARY FOR THE ODLCEF. HIS OFFICE WILL THEN FORWARD THE PAPERS TO THE CONGREGATION. THESE DOCUMENTS CONSIST OF AN ASSIGNMENT OF MORTGAGE AND A PROMISSORY NOTE. THE CONGREGATIONS REPRESENTATIVE MAY NEED THE RECORDERS INFORMATION (DATE AND PAGE NUMBERS RECORDED) FROM THE MORTGAGE BETWEEN THE CONGREGATION AND WORKER TO COMPLETE THE ASSIGNMENT OF MORTGAGE. ONCE COMPLETED AND SIGNED THE ASSIGNMENT OF MORTGAGE AND PROMISSORY NOTE SHOULD BE SENT BACK TO THE ATTORNEY'S OFFICE FOR PROCESSING.

THIS SEQUENCE OF DOCUMENTATION OBLIGATES THE WORKER (THROUGH THE RESIDENCE), TO THE CONGREGATION, AND OBLIGATES THE CONGREGATION TO THE ODLCEF (THROUGH THE ASSIGNMENT).

HOW IS THE LOAN REPAID?

THE CONGREGATION WILL RECEIVE A MONTHLY STATEMENT GENERATED ON THE LAST WORKING DAY OF EACH MONTH PAYABLE BY THE 20TH DAY OF THE FOLLOWING MONTH. WE REQUEST THAT MONTHLY PAYMENTS ARE TO BE MADE BY THE CHURCH.

HOW DOES THE WORKER REPAY THE LOAN TO THE CHURCH?

THE CONGREGATION AND CHURCH WORKER DETERMINE HOW REPAYMENT TO THE CHURCH IS HANDLED. PAYROLL DEDUCTION IS ENCOURAGED OR PERSONAL CHECKS FROM WORKER TO CONGREGATION.

HOW ARE TAXES AND INSURANCE HANDLED?

PAYMENT OF PROPERTY TAXES AND HOMEOWNERS INSURANCE IS THE RESPONSIBILITY OF THE CHURCH WORKER, UNLESS OTHER ARRANGEMENTS ARE MADE WITH THE CONGREGATION. WE DO NOT ESCROW THESE OBLIGATIONS IN OUR STATEMENT PROCESS.

WHAT ABOUT PENALTY FOR EARLY PAYOFF OR EXTRA MONEY APPLIED TO THE REPAYMENT?

ANY MONEY RECEIVED THAT EXCEEDS THE MONTHLY STATEMENT GOES AGAINST THE PRINCIPAL. **THERE IS NO PREPAYMENT PENALTY.**

SERVICE FEES?

A ONE-TIME FEE OF \$350 IS CHARGED FOR THE HANDLING AND PROCESSING OF LOAN DOCUMENTATION.

*TITLE/CLOSING FEES ARE NOT INCLUDED IN OUR LOAN. THEY ARE THE RESIDENT WORKER OR CONGREGATIONS RESPONSIBILITY.

FINAL INFORMATION NEEDED TO COMPLETE FILE:

1. FINANCIAL INFORMATION-COPY OF CONGREGATION'S CURRENT YEAR BUDGET. LAST CURRENT PERIOD REVENUE AND EXPENSE REPORT. LAST CURRENT PERIOD BALANCE SHEET. YEAR-ENDING REVENUE AND EXPENSE REPORT AND BALANCE SHEET.
2. CONGREGATION PROJECTIONS-REPORT SHOWING PRIOR 4-YEAR MEMBERSHIP TRENDS TO INCLUDE: TOTAL MEMBERSHIP AT YEAR-END. AVERAGE WEEKLY ATTENDANCE (BY QUARTER ENDING IF AVAILABLE). TOTAL ANNUAL INCOME FROM THE PRIOR 4 YEARS (EXCLUDING SCHOOL TUITION).
3. APPOINTMENT OF CONGREGATIONAL REPRESENTATIVE TO OHIO DISTRICT-CEF.
4. SERVICE CHARGE PAYMENT-THE FEE MAY BE PAID BY CHECK OR ARRANGEMENTS CAN BE MADE TO HAVE THE FEE DEDUCTED FROM THE LOAN AMOUNT BEFORE THE WIRE TRANSFER IS COMPLETED.
5. EVIDENCE OF PROPERTY AND LIABILITY INSURANCE SHOWING THE CONGREGATION AS 1ST. PLACE MORTGAGEE AND THE OHIO DISTRICT LUTHERAN CHURCH EXTENSION FUND, INC. AS ADDITIONAL INTERESTED PARTY.

PLEASE CONTACT THE ODLCEF OFFICE WITH QUESTIONS AND FOR ASSISTANCE.

DAVID R. BOWERS, EXECUTIVE DIRECTOR
LISA M. JANIK, LOANS ADMINISTRATIVE ASSISTANT
1-800-901-2297 440-235-2297 FAX 440-235-1970

OHIO DISTRICT LUTHERAN CHURCH EXTENSION FUND, INC

LOAN APPLICATION INFORMATION
(NON RESIDENCE ASSISTANCE LOANS)

In addition to the Loan Application the following information MUST be returned BEFORE the application will be considered for approval by the Board of Trustees.

Financial Information:

- Copy of congregation's current year budget.
- Last current period revenue and expense report
- Last current period balance sheet
- Year-Ending revenue and expense report and balance sheet for prior 3 years

Congregational projections:

Report showing prior 4 years membership trends to include:

- Total membership at year - end
- Average weekly attendance (by quarter ending if available)
- Total annual income for the prior 4 years (excluding school tuition)

Appointment of congregational representative to Ohio District-CEF.

If someone is not currently serving as the congregational representative to the Ohio District-CEF, the congregation should appoint someone. That name, including address, phone number and email address if applicable, should accompany the application.

Service Charge payment.

A letter from the congregation indicating how service charges will be paid (by check, deducted from final loan draw, or included in final loan draw, as long as it does not exceed approved loan amount).

Information required AFTER LOAN APPROVAL IS RECEIVED.

- ~~Current Title Search~~
- ~~Proof of Performance Bond for projects in excess of \$750,000~~
- Evidence of property and liability insurance showing the Ohio District Lutheran Church Extension Fund, Inc. as first mortgagee

QUESTIONS, CALL THE OHIO DISTRICT-CEF AT 800-901-2297