

Rostered Church Worker

Home Equity
Loan Program



Lutheran Church Extension Fund
PO Box 229009 • St. Louis, MO 63122-9009
1-800-843-5233 • www.lcef.org



Lutheran Church Extension Fund

The Lutheran Church Extension Fund offers investments, loans, and services to the entire Lutheran Church—Missouri Synod.

For more information, please contact us:

Phone: 1-800-843-5233

Web site: www.lcef.org





What Is LCEF?

*T*he Lutheran Church Extension Fund (LCEF) is a unique ministry-through-investment organization that offers Lutheran Church—Missouri Synod members the opportunity to invest their money, earn interest, and further the Lord’s work at the same time. These investments provide funding for low-cost loans to LCMS churches, schools, new missions, and rostered church workers.

Individuals and congregations who place a portion of their savings with LCEF earn a fair rate of return on their money, and they also help expand God’s Kingdom. Through this investment support of Church Extension, LCEF is able to provide low-interest loans to ministries and rostered church workers who wish to share the Good News of Jesus with others.



Rostered Church Worker

Home Equity Loan Program*

A home equity loan allows a borrower to use the equity in his/her home as collateral for a loan. Homeowners often use the money from home equity loans to pay off higher-interest debt, make large-scale home improvements, pay tuition, acquire an automobile, or for other major purchases.

LCEF's Home Equity Loan Program is the newest loan option for LCMS rostered church workers. Our program is designed to lend personal financial assistance to LCMS ordained and commissioned ministers, allowing them to effectively focus on their calling—witnessing and teaching the Gospel of Jesus Christ.



Benefits of the LCEF Home Equity Loan Program

- Fixed interest rates, so monthly payments remain the same for a specific period of time
- Competitive interest rates (often lower than credit cards and other consumer loans)
- Interest payments may be tax deductible.*
- Ability to consolidate several bills into one single payment or to make a large purchase
- Friendly, knowledgeable loan officers
- Internet and automated telephone access to loan information
- Program participants receive “ministry dividend”

* LCEF home equity loans are available to qualified applicants in approved states.

* Always consult with your tax advisor.



The Ministry Dividend

Investments at LCEF support the ministry of Church Extension. These funds provide low-cost loans to ministries and rostered church workers, providing space and place for sharing the Good News of Jesus Christ.

Your investments at LCEF earn a competitive interest rate, but they also earn the “ministry dividend.” These invested dollars help further the Lord’s work. Your true investment is in helping others—just as they are helping you.

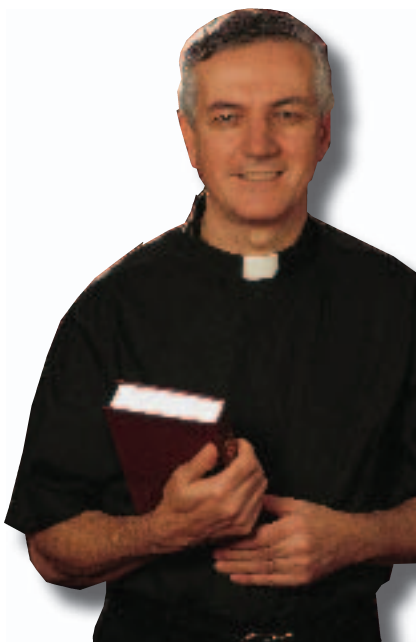
If you qualify for a home equity loan through LCEF, we ask that you also invest in our ministry. Your investment, along with the interest you pay on your loan, ensure that future LCMS rostered church workers will receive loan dollars from LCEF, easing financial burdens and allowing them to focus more clearly on their ministries and future.



Eligibility Guidelines for an LCEF Home Equity Loan

To be eligible for an LCEF home equity loan, the primary applicant must:

- Be a commissioned or ordained minister of the LCMS on active or emeritus status. (Note: Certified lay church workers and individuals currently on candidate status are *not* eligible to participate in this program.)
- Reside in a U.S. state in which LCEF is qualified to fund home equity loans to LCMS rostered church workers.
- Qualify for an LCEF home equity loan per the underwriting guidelines set forth by the LCEF Loan Committee.





Requirements upon Approval of an LCEF Home Equity Loan

Once approved for an LCEF home equity loan, a borrower must:

- Exhibit a commitment to the greater LCEF ministry by becoming an LCEF investor. (Minimum investment of \$100 required.)
- Make all loan payments electronically to LCEF via automated clearinghouse (ACH) transfers.
- Provide an initial payment due within 30 days of the loan being funded. (Monthly payments are due thereafter.)



Frequently Asked Questions

What types of homes qualify for an LCEF home equity loan?

Home equity loans are available to borrowers who own and occupy single family residences. (Manufactured and mobile homes do not qualify.)

How much can be borrowed?

LCEF will do whatever possible to tailor a loan that helps our church workers save money on monthly bills by making home equity loans from \$5,000 up to a maximum of \$100,000.

How is the actual loan amount calculated?

LCEF can fund a home equity loan up to 95% loan to value (LTV) with approved credit. To calculate the LTV ratio, the current market value of the home is multiplied by 0.95. This amount equals the available loan amount. Then, all amounts owed on any outstanding mortgage(s) are subtracted. The remaining amount is available for a home equity loan from LCEF.

For example, a house with a market value of \$100,000 has an outstanding mortgage of \$40,000. With approved credit, the homeowner could obtain an LCEF home equity loan for up to \$55,000 ($\$100,000 \times 0.95 = \$95,000 - \$40,000 = \$55,000$).

What type of home equity loan does LCEF offer?

All LCEF home equity loans are fixed-rate mortgages. Rates are based on LCEF's Cost of Funds, where allowed, plus administrative costs. Please note: LCEF currently does not offer a home equity line of credit (HELOC), which is usually a variable-rate loan that functions similar to a credit card.

What interest rates are offered?

The interest rates are based on the borrower's credit rating, the ability to meet LCEF's underwriting guidelines, and the term of the loan. For up-to-date interest rate information, visit www.lcef.org, click on the "Loans" tab, and then select the "Current Rates" link.

What are the mortgage terms?

Terms from 5 to 15 years are available.

When are loan payments due?

An initial payment is due 30 days from the date the loan is funded. Monthly payments are due on the loan's anniversary date and must be made electronically via ACH.

What other loan costs might the borrower incur?

Borrowers also are responsible for appropriate closing costs, including but not limited to credit report expenses, title insurance premiums, appraisal fees, title company closing fees, and applicable transfer taxes and attorney fees.

Who services the loan (payoff information, ACH changes)?

LCEF will service the loan directly. For questions about payoff information, ACH adjustments if the borrower changes banks, payment information, etc., contact LCEF at 1-800-843-5233 and ask for the Loan Servicing Department.

If the home is sold, can the loan be transferred to someone else?

LCEF home equity loans are specific to the individual rostered church worker and are not transferable, assignable, or assumable if the home is sold. In fact, the amount remaining on the home equity loan must be repaid in full if the home on which the money was borrowed is sold.

How do I apply for an LCEF home equity loan?

Complete the *Home Equity Loan Application* (form S00489) and either fax or mail it to LCEF. Once the application is received, LCEF will contact the borrower with a loan decision within one week.

To obtain a loan application, you may:

1. Download the application from the LCEF Web site at www.lcef.org. Select the "Forms and Literature" link, and then choose the "Loans" category from the dropdown menu. Click on the download icon under the Rostered Church Worker Home Equity Application.
2. Contact an LCEF Information Representative at 1-800-843-5233 between 7:45 a.m. and 4:15 p.m., (CST), Monday through Friday.

LCEF Investment Opportunities

StewardAccount[®]

- Similar to a money market account with interest rates that rise as balance grows. Some check writing abilities and optional ATM/VISA[®] Check Card.
- \$100 minimum deposit to open.

Dedicated Savings Account

- Penalty-free withdrawals, unlimited deposits.
- Interest rates rise as balance grows; interest compounded quarterly.
- \$100 minimum deposit to open.*

Term Notes

- Fixed or floating rates with terms from 6 months up to 5 years.
- Interest distributed or compounded.
- \$100 minimum deposit for floating-rate term note; \$500 minimum for fixed-rate term note.
- Additional deposits of \$25 or more for floating-rate term note.

Growth Certificates

- Fixed rates with terms from 6 to 20 years.
- Interest is compounded quarterly.
- Various minimum amounts to open.

Individual Retirement Accounts

- Traditional/Rollover IRA.
- Roth IRA.
- Coverdell Education Savings Account.

* Minimum deposit of \$10 for custodial account.



LCEF: Serving the Entire LCMS

■ **K.I.D.S. Savings Stamp Program**

LCEF's free stamp program teaches kids the value of saving money through faith-based booklets.

■ ***Joyful Response*[®] Program**

Church contributions and students' tuition payments can be made electronically. LCEF's free service offers convenience, security, and value to church administrators and members.

■ ***MyAccount***

View your LCEF investments or loans online via *MyAccount*, LCEF's Internet financial service.

■ **Construction Loans**

LCEF construction loans offer low interest rates, helping churches and schools expand His Kingdom.

■ **Rostered Church Worker Loans**

Our housing and debt consolidation loans help rostered church workers focus on their ministries.

■ **Demographic Services**

LCEF offers demographic studies, including population data, membership profiles, and congregation trends.

■ **Strategic Ministry Planning**

This process helps congregations focus on their mission and ministry, asking God to reveal His plan.

■ **Architectural Advisory Committee**

Lutheran architects offer advice on building ideas, design plans, and liturgical art for LCMS ministries.

■ **Laborers For Christ**

Dedicated Christians use a portion of their retirement years to help others build worship facilities.

■ **Capital Funding Services**

CFS offers Biblically based capital campaigns, helping congregations, schools, and agencies turn their visions into reality.

■ **Gift Planning Services**

LCEF investors receive free gift planning advice, in conjunction with the LCMS Foundation.

For more information about our loans, investments, and facility-planning services, call LCEF at 1-800-843-5233.

The mission of the
Lutheran Church Extension Fund
is to provide opportunity
to make funds and services
available in support of the
Great Commission through
The Lutheran Church—Missouri Synod.



Lutheran Church Extension Fund

PO Box 229009

St. Louis, MO 63122-9009

1-800-843-5233

www.lcef.org

LCEF is a nonprofit religious organization; therefore, LCEF investments are not SIPC- or FDIC-insured bank deposit accounts. This is not an offer to sell investments or a solicitation to buy. The offer is made only in states where authorized and solely by LCEF's Offering Circular.