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Single Source Lender for Church Finance

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Mortgage Bankers & National Church Finance Specialists

Many times the question will come up with regards to church finance, should a Church only approach their local bank or just use one lending source for financing of their project?

First, understanding Church Finance requires a different type of skill set and credit analysis for the Lender compared to normal commercial lending. The local bank unless they either have a non-profit division that specializes in this type of loan or has expertise in Church finance usually will not offer the best rates, terms and conditions compared to an experienced church lender.

80% of the churches usually just take what is offered not knowing that everything in church finance when properly structured, documented, packaged with good representation is negotiable.

Secondly, Church Finance is a commodity like any other material or service (i.e. steel, concrete or drywall) and is just the act of renting capital with the promise of returning the principal at a certain time (maturity date) with a cost (interest) for the use.

When projects are designed, one of the major components is the bid process. The end result is a competitive process for selecting the best value and price for a product or service. It is documented that 80% of church finance in amounts of \$1 million and more usually only go to a *single source lender* and do not price out the financing process.

Completion and bidding on church finance is healthy and can result in huge savings thus allowing the church to increase the money available for missions and winning more souls for the kingdom. Also if the church wants to continue the relationship with their local bank, the bid process will motivate the local bank to sharpen their pencil in order to keep the business.

As Mortgage Bankers, we see that the majority of Church finance projects do not use the bid process as they only use a *single source lender*. We feel lack of expertise on the finance or advisory board is one reason, another reason could be that some people relate the finance process as to like going to the dentist and painful so taking the path of the least resistance is most comfortable. Most importantly and more likely the real reason is the lack of an in-house banker or financial counsel to manage the funding process for the church. Without that process, projects can get delayed while waiting on the money resulting in increased costs and projects having to be reduced or restructured.

Knowing that a church project always has design and construction professionals on board to manage that process, the question arises so why doesn't the church have professionals on board to manage one of the most important elements of the project..... the money.

First comes the vision and then the money, without the money nothing happens.

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About Mission Management and Consultants, LLC:

MMC – Mortgage Bankers & National Church Finance Specialists is one of the Leading Church Finance Mortgage Firms in America. MMC is an experienced team of Bankers and Professionals, called to the ministry of obtaining financing for Christian organizations. For more information, please visit our website at www.mmcbankers.com