



United Church of Christ
CORNERSTONE
FUND

Conference Minister Orientation

Who We Are

- Established in 1993, growing out the United Church of Christ Church Building & Loan Fund (1853)
- Mission Statement:
“**Joining together in faith to invest in and build Community**”
- Cornerstone Fund **investors** create the pool of money that funds our lending efforts, earning an above market rate of return, while helping sustain ministry & supports mission
- Cornerstone Fund offers **loans** to local churches and to other faith-based organizations – loans that help enhance facilities and strengthen ministries
- **Together**, Cornerstone Fund investors and borrowers build the Church



Who We Are

- **Faith-based, socially responsible investments & low-cost, real estate financing** for churches and faith-based organizations
- Our Vision = ***Serving as a catalyst for ministries to thrive***
- Since 1993, the Cornerstone Fund, through the help of its investors, has supported more than **700 local churches** and other **faith-based organizations** with low-cost financing, totaling more than **\$350 million**.



UCC Financial Ministries

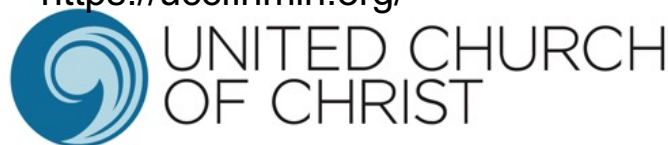


\$55 Million in Assets



\$800 Million in Assets

<https://uccfinmin.org/>



\$3 Billion in Assets



\$57 Million in Assets



\$117 Million in Assets

UCC Financial Ministries



Cornerstone offers investments to individuals and churches/faith-based organizations, paying a competitive rate. Then, we loan out the funds invested with us to established UCC churches and related organizations who are borrowing to make improvements to their building and grounds.



The Church Building & Loan Fund is dedicated to assisting new and renewing congregations with loan programs, capital campaign services, planning (Partners in Building) and technical assistance programs (Partners in Vision), as well as a list of other services and programs.



Serving the United Church of Christ, Alliance of Baptists, Presbyterian Church(USA) and the Christian Church (Disciples of Christ); the Insurance Board's Mission is to support and protect churches and church ministries by offering superior property and casualty risk and insurance management services.

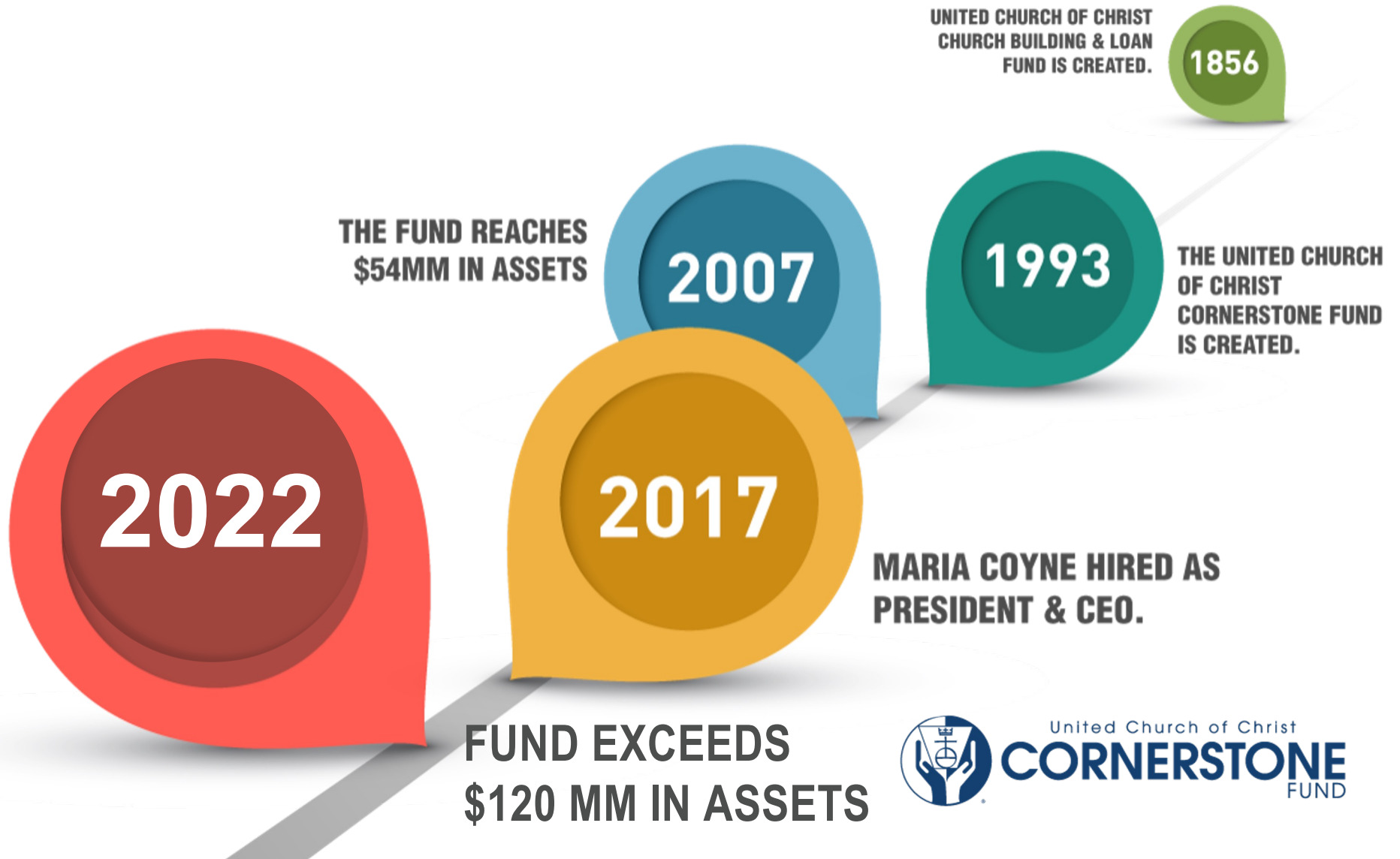


PBUCC offers comprehensive employee benefits programs for active and retired UCC clergy and lay employees and their eligible dependents, providing the highest standards of service, access and options. PBUCC assists those who serve the church achieve health and economic security through the annuity, medical/dental, life & disability plans, etc.



Established in 1909, United Church Funds (UCF) offers a family of 13 professionally managed, well-diversified and socially responsible investment funds to over 1,000 churches, conferences, associations and other ministries of the United Church of Christ.

A Historical Timeline



UNITED CHURCH OF CHRIST
CHURCH BUILDING & LOAN
FUND IS CREATED.

1856

THE FUND REACHES
\$54MM IN ASSETS

2007

1993

THE UNITED CHURCH
OF CHRIST
CORNERSTONE FUND
IS CREATED.

2022

2017

MARIA COYNE HIRED AS
PRESIDENT & CEO.

FUND EXCEEDS
\$120 MM IN ASSETS



United Church of Christ
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FUND

2022 Financial Highlights

- **Operating Revenue of \$4,593,771**
 - ❖ 9.38% less than 2021 (-\$475,543)
 - ❖ 0.38% less than plan (-\$17,644)
- **Net Operating Profit of \$291,195**
 - ❖ 75.42% less than 2021 (-\$893,716)
 - ❖ 18.91% less than plan (-\$67,909)
- **Total Assets increased to \$116,989,318 up from \$116,711.930**

2022 Financial Highlights

- **Investments decreased from \$104,152,344 to \$103,466,861**
 - 88.93% of maturing dollars renewed (\$53,498,525)
 - 1,925 accounts renewed while we attracted 198 new accounts for \$9,901,877
 - There are 3,853 accounts in our portfolio
 - By dollars, 60.74% are organizations and 39.26% are individuals

How are we *different* than other Financial Service Providers?

- **Our values: C.A.R.E.**
 - Customer Experience, Accountability, Respect, Expertise
- **Pricing, Fees, Approval Process, Turnaround Time, Nimbleness**
- Ability to **stand by you** when a borrower hits a bump in the road

Case Study

- Pilgrim Church is an existing Cornerstone borrower and has just experienced the trifecta of devastating bad news:
 - Their pastor unexpectedly passes away
 - They had a fire while they were in the middle of replacing their roof
 - They have not been successful in replacing the revenue they had from leasing space prior to COVID
- What do they do?



Case Study

- Pilgrim's Finance Chair and Trustee Board Chair reach out to Cornerstone Fund.
- Lending team and Leadership at CF assures the church that they will stand by them.
- In partnership with Insurance Board, they determine approximate timeframe for the claims process.

Case Study

- Additionally, Key Person insurance had been required by CF and purchased on the pastor due to her impact and “following” so this claim process begins also.
- CF works out a payment deferral until they can fully understand realistic new cash flows and modify the loan going forward.
- CF also introduces Pilgrim to CBLF Partners in Vision Program



Example Comparison

	CORNERSTONE FUND	BANK "X"
Application Fee	\$0	\$500
Origination Fee/Points	\$0/0%	1 points = \$2,500
Third Party Fees (Appraisal, Title, Attorney, etc.)	Title & Attorney = \$4,200 (Appraisal not Required)	Title, Attorney, Appraisal, Environmental = \$10,500
Closing Fee	0%	.5% = \$1,250
Loan Amount	\$250,000	\$250,000
Term	30 yr. term w/ 5 yr. rate reset	5 year balloon
Amortization	30 Years	20 Years (30 not available)
Interest Rate	5.25%	5%
Actual Out of Pocket	\$4,200 <i>or</i> 3 rd Party expenses may be financed	\$14,750
Monthly Payment	\$1,381	\$1,649
Prepayment Penalty	\$0	3% in year 3 = \$7,200
Flexibility	We can work with you if you hit a bump	They cannot

Our Expertise

- Underwritten more than 700 loans for \$350MM (to date)
- Lending team has more than 50 years of collective banking experience
- Work extensively with other partners to provide consulting and guidance regarding projects
- Have participated and led “capital stack” financing structures, including:
 - Other denominational fund participations
 - New market tax credits
 - Federal, State and Local fund programs and grants
- Ability to be flexible when structuring credit terms to meet each individual borrower’s needs
- Exclusively lends to *only* churches and faith-based organizations





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Relationships and Partnerships

Maria Coyne
President & CEO

Collaborating and Working with other Denominational Funds



Episcopal Church Building Fund



DENOMINATIONAL INVESTORS

DILA

& LOAN ADMINISTRATORS



Jubilee Impact Fund & NDM

Jubilee Impact Fund

Connecting Community Development

Enterprises With Faith Impact Investors

- + Rebuild economic systems with justice and compassion
- + Restore work for the dignity of the poor
- + Renew stewardship of God's household

[WATCH OUR INTRODUCTORY PRESENTATION](#)

[INVESTOR INFORMATION](#)



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Bricks & Mortals



[About](#) ▾ [Resources](#) ▾ [Case Studies](#) ▾ [Events](#) ▾ [Membership](#) [Partnership](#)

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[CONTACT US](#)

We empower faith-based organizations
in NYC to maximize their buildings and
property to serve their communities.

[CONTACT US](#)



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Case Study

- First Congregational Timbuktu owns the parking lot next to their church as well as an adjacent lot on the back of the church
- They have been using their education wing to make space available for other nonprofits but it's time for renovations again
- There is a dire need for affordable housing in their community – what do they do?

Case Study

- Cornerstone Fund recommendations:
 - Participate in CBLF Partners in Vision and/or CF contacts NDM on their behalf
 - Architect creates Master Plan for their property once they have identified their missional focus
 - CCHSM organizations are invited to RFP process
- Capital stack is created; For the debt portion of the financing, ecumenical partners participate in the loan

Trends in the Cornerstone Fund

Borrower Profile



Borrower churches are **25% larger** than the average congregation, with **higher levels of worship attendees.**

Average Borrower Church Membership: 219*

Average UCC Church Membership: 177

Average Worship Attendance: 98*

Average UCC Worship Attendance: 71



Borrower churches report income that is **33% larger** than the average congregation, with **higher levels of basic support.**

Average Borrower Reported Income: \$299,625
Average UCC Church Reported Income: \$226,105

Average Reported Basic Support: \$7,359
Average UCC Reported Basic Support: \$4,596



Most borrower churches are accessible (89.6%).

84.1% of all UCC churches are accessible.



A large portion of borrower churches are ONA (46.9%).

27.8% of all UCC churches are Open & Affirming.



Borrower churches are more racially diverse (31.0%).

14.1% of all UCC churches are racially diverse (non-White European).



Borrower churches are historic (average age of 123 years old).

The average age of a UCC congregation is 153 years old.

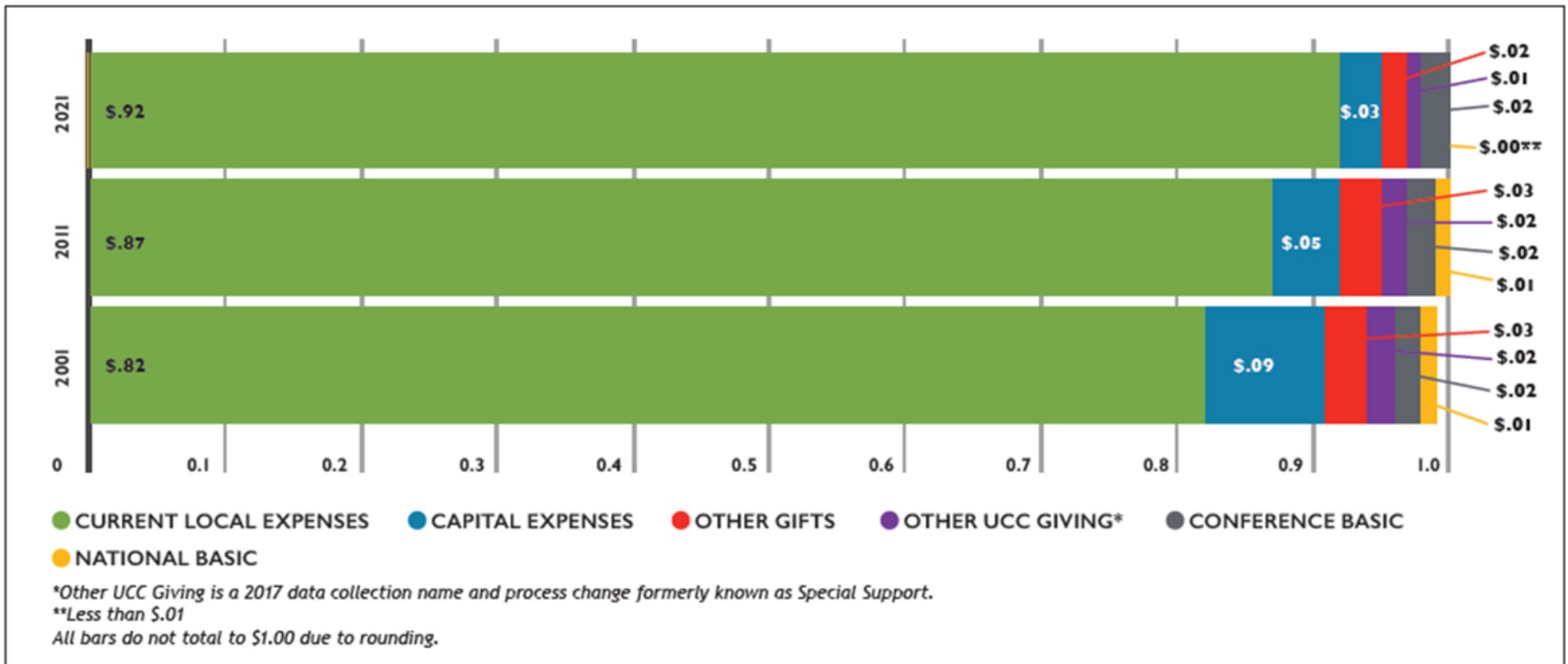
Observations Regarding Church Financial Performance & Practices

- **The most common secondary sources of revenue/income:**
 - Other Offerings/Contribution/Bequests
 - Rental of building/Facilities
 - Leased building or steeple – daycare, conservatory, cell tower, solar
 - Endowment Income
- **Largest expense typically is personnel** (salary + benefits) ranging between 21% and 79% and averaging 52%
- **“Programming/Ministry” is typically the second largest expense**
- **Building expense ranges** between 9% and 51% but most are in the **10-20% range**; we tend to see 30%+ as a red flag
- Equal numbers of increases and decreases in YOY revenue and expenses – but unique to our client set

How does your church compare?

The "Church Dollar"

CHANGING DISTRIBUTION OF THE CHURCH DOLLAR



How does your church compare?

The "Church Building"

SPECIAL REPORT: THE CHURCH BUILDING

Contributed by the United Church of Christ Cornerstone Fund

BUILDING OWNERSHIP

Based on a survey of congregations of the United Church of Christ, most (92.9%) report that they own their building/place of worship (with or without mortgage). And of those who own real estate, churches own between, on average, one to two buildings (1.60).

BUILDING AGE

Surveyed congregations report an average building age of 97 years, with buildings ranging from newly-constructed buildings that are less than a year old to places of worship older than 340 years. Subsequently, United Church of Christ congregations report that, since their founding, they have occupied, on average, two to three (2.42) different places of worship.

BUILDING RENOVATIONS & PROJECTS

The United Church of Christ Cornerstone Fund was founded in 1993 to assist churches and affiliated ministries with financing for construction and renovation projects. In 2019, the Cornerstone Fund, with the help of its investors, is supporting more than 225 congregations and ministries with financing for projects that help ministries save \$3.1 million per year in interest charges with loan refinancing; complete building improvement projects that have reduced energy usage by more than 350,000 kWh per year; make accessibility improvements that serve more than 12,000 people; build more than 350,000 square feet of space; expand local daycares and early childhood development centers; develop and built affordable housing; enlarge their food pantries and homeless shelters; and, renovate their community rooms/centers and places of worship.



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Investment Products & Services

Investments

- Flexible Demand Note Accounts
- Kids Club
- Term Note Accounts
- Individual Retirement Accounts
- Education Savings Accounts

Flexible Demand Note Accounts

Flexible Demand Note Account

- Earn competitive interest on your investment
- Minimum \$50 opening investment
- No monthly service or maintenance fees
- No monthly investment requirement
- 24/7 online access to your account

Flexible Demand Plus Note Account

- Earn even higher competitive interest on your investment than the standard flexible demand note account
- Minimum \$50 opening investment
- No monthly service or maintenance fees
- \$100 minimum monthly investment requirement (via ACH)
- 24/7 online access to account



Kids Club

Kids Club Flexible Demand Note Account

- Earn competitive interest* on your investment, designed exclusively for youth, ages 0-18 years old
- Minimum \$25 opening investment
- Kids Club welcome gift and activities throughout the year
- No monthly service or maintenance fees
- No monthly investment requirement
- 24/7 online access to account



Help youth learn to save, share, and spend smarter.



Term Note Accounts

Term Note Account

- Earn competitive interest* on your investment
- Minimum \$500 investment
- Terms available from 3 months to 5 years
- No monthly service or maintenance fees
- 24/7 online access to account
- New 36-month Creation Care Term Note

60-Month Term Note with Giving Bonus

- Racial Equity Giving Bonus, Church Giving Bonus, Mission Giving Bonus
- 60-month term notes of at least \$2,500
- Receive 1.0% rate increase when investor designates at least 10% to an affiliated church or non-profit organization

Earn more with short- and long-term investment options.



Individual Retirement Accounts

Individual Retirement Account

- Earn competitive interest* on your investment
- Minimum \$500 investment
- Choose from a Traditional or Roth IRA
- No monthly service or maintenance fees

Currently serviced by a third-party, Goldstar Trust



Do more with your retirement with an IRA.

Education Savings Accounts

Educational Savings Account

- Earn competitive interest* on your investment
- Minimum \$500 investment
- Earn tax advantages while saving for your child's education
- No monthly service or maintenance fees

Currently serviced by a third-party, Goldstar Trust

Invest in your child's education.



Creation Care Term Note



CREATION CARE INVESTMENT PROGRAM

In July 2021, the Cornerstone Fund announced the Creation Care Loan Program at the 33rd General Synod. The Creation Care Loan Program is specifically dedicated to environmental justice efforts and allows us to offer lower subsidized loan rates to UCC affiliates. Our Founding Investors include the National Setting and United Church Funds, the Wisconsin Conference and CHISM. The ability to invest in this Creation Care Loan Program will be available to all, including individuals who are looking for an environmentally conscious investment.

Investors who care deeply about Creation Care and addressing the detrimental effects of climate change can make an impact investment in the UCC Cornerstone Fund. Investors will agree to a 1% rate of return on their investment, giving up some short-term gain, for an investment that will yield a long-term gain for our planet. These investment funds then will be loaned at 3.5% to churches and other faith-based organizations to fund projects specifically aimed at improving their properties' impact on the environment and reducing their carbon footprints.

We aim to raise \$3,000,000 initially, but we will not stop there. Investors will receive reports on progress and the impact that the loans are having on caring for creation.

INVESTMENT SPECIFICS:

Term: 36 months

Interest Rate: 1% for the first 3 years, after that at the then prevailing rate

Minimum Investment Amount: \$500

PROJECTS THAT REDUCE OUR CARBON FOOTPRINT WILL BE ELIGIBLE FOR THE CREATION CARE LOAN PRODUCT. INVESTMENTS WILL SUPPORT QUALIFYING ACTIVITIES LIKE THESE:

RENEWABLE ENERGY INSTALLMENTS
BUILDING EFFICIENCY IMPROVEMENTS
ENVIRONMENTAL CARE PROJECTS

New investors are welcome to join the Creation Care Investment & Loan Program. They will be joining with the Cornerstone Fund's Founding Investors for this initiative:

*National Setting/United Church Funds
Wisconsin Conference
CHISM*

THE CORNERSTONE FUND - CORNERSTONEFUND.ORG - 888.UCC.FUND

This is not an offer to sell you our securities and we are not soliciting you to buy our securities. The offering is made solely by the Offering Circular. The purchase of our securities is subject to risks, which are described in our Offering Circular. We will offer and sell our securities only in states where authorized. Currently, we do not offer or sell our Notes to investors located in Arkansas. • Not FDIC or SIPC insured • Not a bank deposit • Not guaranteed by the United Church of Christ. • Past performance is no guarantee of future results.



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Giving Bonus

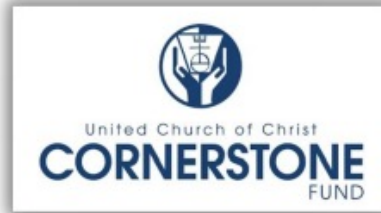
- Earn more on your investment while giving back to another mission.
- Earn a rate bonus with the Giving Bonus programs. Invest a minimum of \$2,500, \$10,000, or \$25,000 in a five-year investment, designate a “give-back” gift of at least 10% to any United Church of Christ (UCC) ministry or organization, or organizations promoting racial equity and enjoy the bonus on the balance of your organization’s investment for the entire five-year term.
- Help strengthen ministry even more with the Giving Bonus
- Your investment is also supporting the mission of the Cornerstone Fund, by allowing it to provide even more low-cost loans to churches and non-profit organizations.
- Plus, if your selected church or non-profit organization has a current loan with the Cornerstone Fund, your investment will count toward their Cashback program—a program that provides a one-percent rebate when loan dollars are matched with investment dollars.



Racial Equity Giving Bonus

- Works much like the Giving Bonus except the minimum investment is \$2,500
- Support your favorite organization working to dismantle systemic racism by naming them as the recipient of your 10% gift. Your investment is also supporting the mission of the Cornerstone Fund, by allowing it to provide even more low-cost loans to churches and non-profit organizations.
- A list of vetted national organizations doing this work can be provided; or you can choose local or regional organization as long as it is a qualified 501(c)3
- Simply put, you'll earn a higher rate of return while still enjoying the potential tax benefits available on eligible charitable contributions and know that your gift is helping further racial justice.





RACIAL EQUITY GIVING BONUS Investment Program

Earn more on your investment while giving back to another mission!

Earn a rate bonus with the Racial Equity Giving Bonus programs. Invest a minimum of \$2,500 in a five-year investment, designate a “give-back” gift of at least 10% to a nonprofit organization that is addressing racial inequity and enjoy the bonus on the balance of your investment for the entire five-year term.

Help further the fight against racial injustice with the Racial Equity Bonus.

Support either a pre-identified and vetted national organization working for racial equity or a self-identified local/regional non-profit organization doing this work by naming them as the recipient of your 10% gift. Your investment is also supporting the mission of the Cornerstone Fund, by allowing it to provide even more low-cost loans to churches and non-profit organizations with an eye toward racial justice.

Earn a bonus for five years

Simply put, you’ll earn a higher rate of return while still enjoying the potential tax benefits* available on eligible charitable contributions.

*Cornerstone Fund does not provide tax advice. You should consult your own tax adviser.

SUPPORT ORGANIZATIONS ADDRESSING RACIAL INEQUITIES

RECOMMENDED RECIPIENT ORGANIZATIONS:

- Advancement Project
- ACLU - American Civil Liberties Union
- Black Youth Project
- Color Of Change
- Equal Justice Initiative
- NAACP
- National Coalition on Black Civic Participation
- Thurgood Marshall College Fund

Additional suggestions:

- UCC Conferences
- UCC Historically Black Colleges:
- Dillard University
- Fisk University
- Huston-Tillotson University
- LeMoyne-Owen College
- Talladega College
- Tougaloo College

CORNERSTONEFUND.ORG - 888.UCC.FUND

*This is not an offer to sell you our securities and we are not soliciting you to buy our securities. The offering is made solely by the Offering Circular. The purchase of our securities is subject to risks, which are described in our Offering Circular. We will offer and sell our securities only in states where authorized. Currently, we do not offer or sell our Notes to investors located in Arkansas. • Not FDIC or SIPC insured • Not a bank deposit • Not guaranteed by the United Church of Christ. • *Past performance is no guarantee of future results.*



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Case Study

- The Treasurer of FCT contacts the Investment team of CF and needs to create both a payment reserve and is also interested in learning about other investment options
- After a detailed discussion with CF (who recommends “laddering” their investment) and honoring the missional focus of FCT, they decide to open a 12 month note, a 36 month note invested in Creation Care, and a 60 month note in the Racial Equity Giving Bonus

Church Cashback Program

Personal Churches Organizations



Investments

Borrowing

Giving

About Us

Contact Us

SAY HELLO TO MORE CASH.

Every year.

When enrolled in the Cornerstone Fund's Church Cashback Program, with an active loan, you can **earn up to \$10,000 cash back** each year!



*Cathedral of Hope has been "Grandfathered" and is not subject to the **\$10,000 cap**



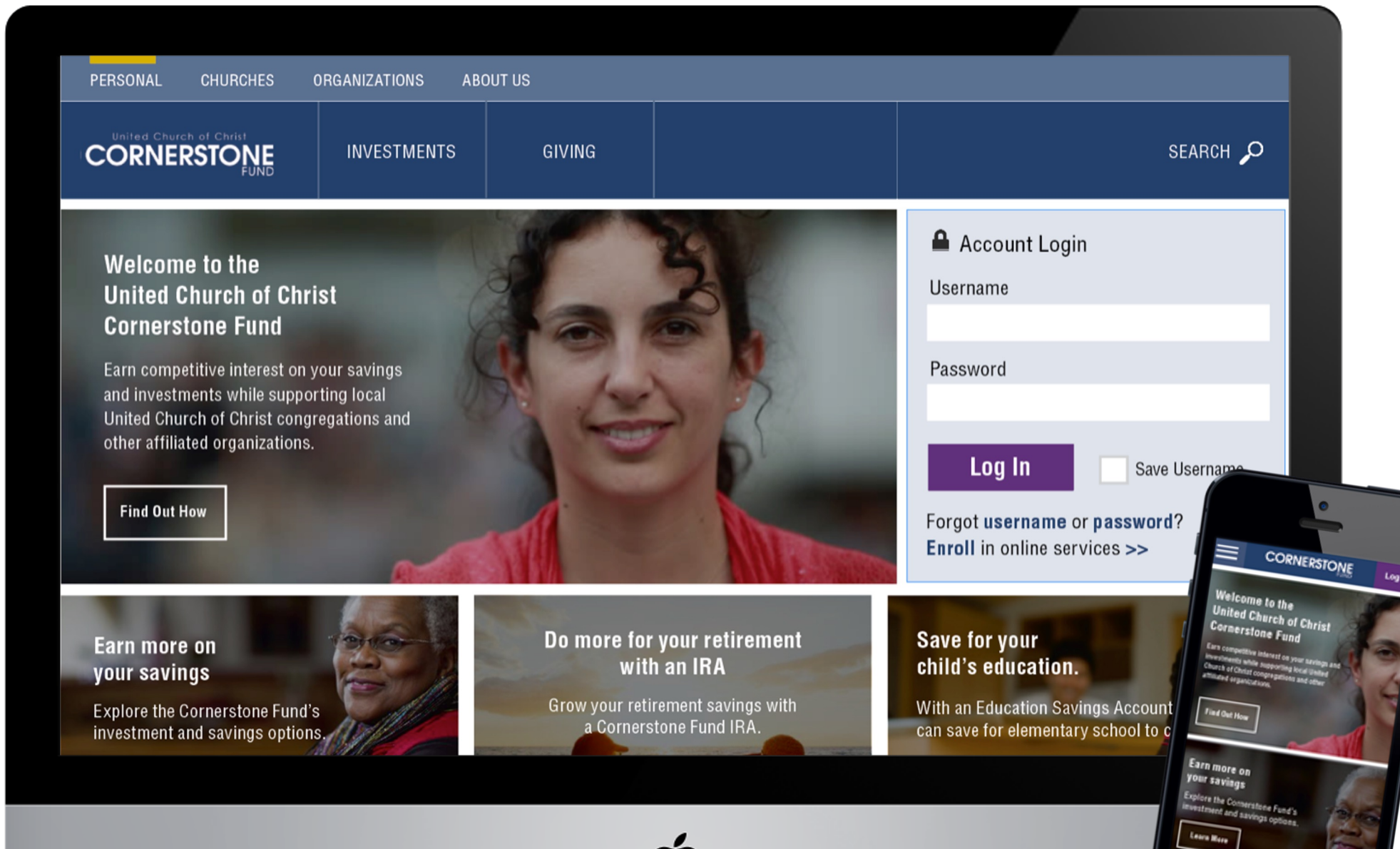
Church Cashback Program

HERE'S HOW IT WORKS:

1. **ENROLL** in the Church Cashback Program by contacting your client specialist (or) clicking [here](#).
2. You'll receive a Church Cashback Program **WELCOME PACKET** within 7-10 days.
3. **INVEST** in Cornerstone Fund demand or term notes, with terms of 3-60 months.
4. **TELL YOUR CONGREGATION** about the United Church of Christ Cornerstone Fund investment options with the provided resources in your Welcome Packet. The Cornerstone Fund offers short- and long-term investment options, including term notes— available from 3-months to 5-years— flexible demand accounts, IRAs, and more.
5. Church **MEMBERS DESIGNATE YOUR CHURCH** on their investment applications.
6. Receive **CASH BACK** each year based on your loan and investment balances. See your welcome packet for specific cash back calculations and restrictions.



Online Account Access



Online Account Access

United Church of Christ
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Account Summary Statements Payments & Transfers Ann Poston
Last Login: 09/15/2017

Search Transactions
Search check numbers, descriptions, etc.
From this account

More Information
Offering Circular
Current Rates

Get In Touch
216-736-3832
Email Us

Do more for your retirement with an IRA
Get Started

Welcome to your new Cornerstone Fund online account!

Account Summary

Account Type	Rate	Current Balance	Available for Withdrawal
150 Demand Plus - Semi-Annual Interest	.750%	\$300.00	\$300.00

Quick Transactions
Select from account...
Transfer to this account...
Transfer amount (in USD \$)

Transfer Funds

ACH Origination Transfer
What type of transaction would you like to run?
 Deposit Withdraw
From 9 Digit Routing And Transit Number
From Checking Account Number
Select Account to Deposit To
Transfer amount (in USD \$)
Submit ACH Transfer

Living Stones Endowment

- Tax-deductible donation to support the mission of the Cornerstone Fund
- Unrestricted endowment fund with designation opportunities
- Contribute directly or through planned giving
- When you include the Endowment Fund in your estate plan, we recognize you as a Living Stones Endowment Fellow in various materials throughout each year.
- Gifts of \$10,000 or more may be recognized through mutually agreed upon opportunities.

Further the work of the Cornerstone Fund.



Offering Circular

UNITED CHURCH OF CHRIST CORNERSTONE FUND, INC. ®
700 Prospect Avenue
Cleveland, Ohio 44115-1100
(216) 736-3829
(888) 822-3863
www.cornerstonefund.org

OFFERING CIRCULAR
\$150,000,000
TERM NOTES, FLEXIBLE DEMAND NOTES, FLEXIBLE DEMAND PLUS NOTES,
AND GIVING BONUS-60 MONTH NOTES

We are offering up to \$150,000,000 of Term Notes, Flexible Demand Notes, Flexible Demand Plus Notes, and Giving Bonus-60 Month Notes (collectively, the "Notes"). The Notes are unsecured debt obligations of the United Church of Christ Cornerstone Fund, Inc. ("Cornerstone Fund," "we," "us," or "our"). We will pay interest on the Notes at the rates set forth on the interest rate sheet attached to the Application to Purchase accompanying this Offering Circular ("Rate Sheet"). We may adjust the rates of interest we pay on the Notes from time to time. The terms, interest rates, and minimum investment available as of the date we delivered this Offering Circular are reflected on the Rate Sheet. Certain Notes are also available as investments for Individual Retirement Accounts and the applicable interest rate for such Notes will be stated on the Rate Sheet accompanying the Application to Purchase.

<u>Instrument</u>	<u>Maturity</u>	<u>Minimum Investment</u>
Flexible Demand Notes	Demand	\$50*
Flexible Demand Plus Notes	Demand	\$50*
Term Notes	3 to 60 months	\$500
60 Month Term Notes with Giving Bonus	60 months	\$10,000

Interest rates paid on Term Notes (other than the 60 Month Term Notes with Giving Bonus) are tiered based upon the term and amount of the investment as provided on the accompanying Rate Sheet. The 60 Month Note with Giving Bonus is a special investment program incorporating a gift to a United Church of Christ entity. See "DESCRIPTION OF THE NOTES – GIVING BONUS" on page 22 for details.

*The minimum investment is \$25 for Demand Notes held for the benefit of a minor under the Uniform Transfers to Minors Act. See "DESCRIPTION OF THE NOTES – KIDS CLUB INVESTMENT PROGRAM" on page 24 for details. Minimum investment amounts are current as of the date of this Offering Circular, but may change from time to time. See the accompanying Rate Sheet or the Fund's website www.cornerstonefund.org for current minimum investment requirements.

In order for you to purchase any Notes, prior to your receiving an Offering Circular, you must be a member of, a contributor to (including an investor), or participant in the United Church of Christ or the Cornerstone Fund or in any program, activity, or organization which constitutes a part of the United Church of Christ or the Cornerstone Fund, or in other Protestant church organizations which have a programmatic relationship or are religiously aligned with the United Church of Christ or the Cornerstone Fund, or such other persons or entities having a reasonable association or affiliation with the Limited Class, as further defined on page 25.

There are no underwriters or outside selling agents involved with this offering, and no commissions or underwriting expense will be paid. We will receive 100% of the proceeds of the sale of the Notes, out of which we must pay all related expenses of the offering, which we estimate will be approximately \$130,000 per year.

Your purchase of Notes is subject to certain risks. You could lose some or all of your investment. Please read the "Risk Factors" beginning on page 4.

The date of this Offering Circular is April 30, 2021.

* Not FDIC or SIPC Insured

* Not a Bank Deposit

* No United Church of Christ Guarantee

- State-Specific Information
- Summary of the Offering
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- Introduction
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Financing Products

Fixed Rate Loans

A secured fixed rate loan (both new and refinanced) can be used for property purchases, repairs and improvements (including construction loans), and redevelopment. This loan offers amortization terms of five years.

Adjustable Rate Loans

One-, three-, or five-year adjustable rate loans can be used for property purchases, repairs, improvements, and redevelopment, as well.

Revolving Lines of Credit

A revolving line of credit can help with short-term capital needs, seasonal cash flow, or anticipated cash flow fluctuations, working much like a home equity line. Secured revolving lines of credit are available for up to \$100,000, unsecured credit is available for up to \$50,000.

Bridge Loans

Bridge loans provide short term financing to fill the gap between needed funding and availability of collected funds. Secured bridge loans are available for up to \$250,000; unsecured bridge loans are available for up to \$100,000.

* Please note we have recently created loan products that allow for **much larger** *Lines of Credit & Bridge Loans* – please contact us for additional information



Financing Purposes:

Mortgage Loans:

- Purchase-Land and Buildings
- Construction-Ground up and Additions
- Repurposing of property for Community Impact
- Renovations/Conversion:
 - Maintenance projects-Replace boilers, HVAC, etc.
 - Update Facilities/Accessibility
 - Creation Care/Energy Conservation (Eco-Friendly “green” Projects)
- Refinance debt from another lender

Revolving Lines of Credit:

- short to mid term capital needs

Bridge Loans:

- short to mid term financing to bridge expected funding

Fulfilling a Community Commitment

“Christ the King UCC struggled with a faulty HVAC system and other signs of wear and tear. It was forced to cancel choir rehearsals when its furnace failed to beat back the brutal Missouri winters. The roof leaked with spring rains. And its Midwestern summers became stifling with no A/C.
...

Christ the King took a loan with the Cornerstone Fund, which allowed them to undertake nine individual projects to upgrade the church facilities including a new roof, new HVAC, energy-efficiency upgrades, and ramp building. ...

The church is now able to fulfill its commitment to the community. “Our church is open 6-7 days most weeks (days and evenings) and the HVAC system now provides reliable service so those few program postponements or cancellations have been eliminated.”



Accessible to All & Here to Stay

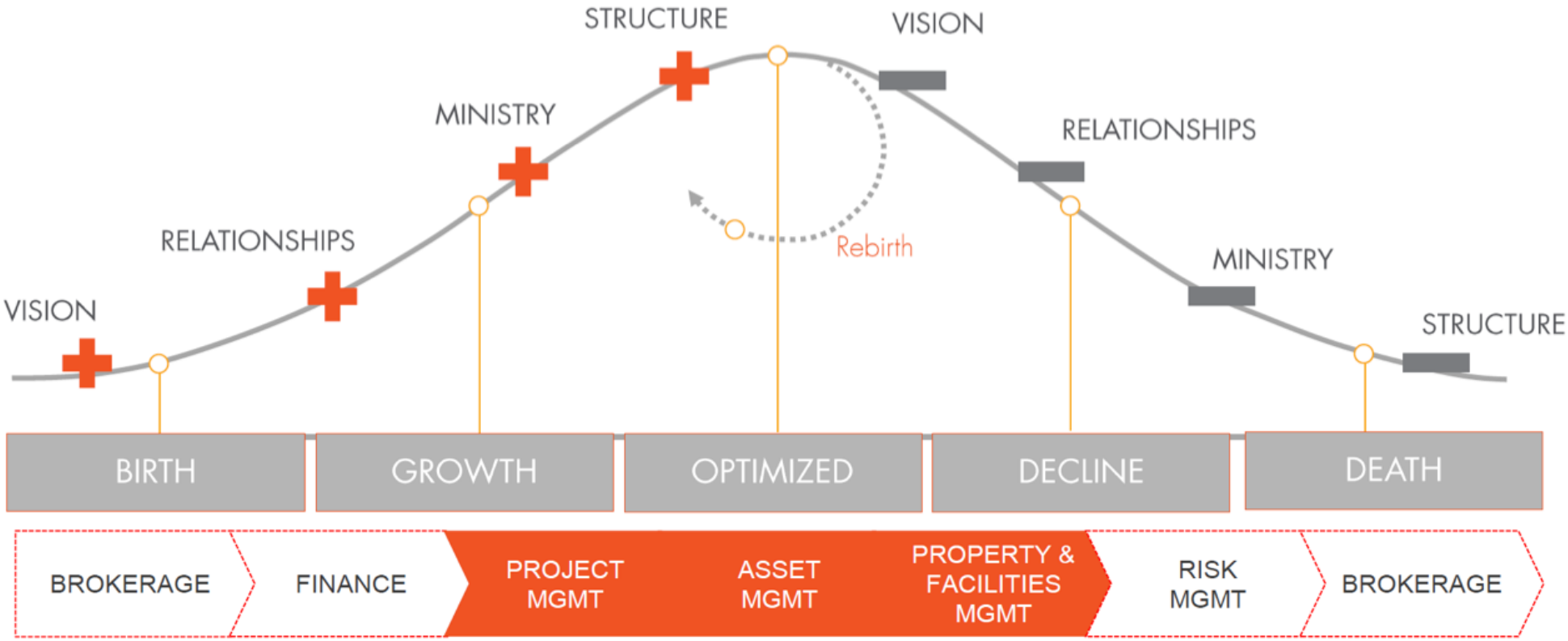
“With a loan from the Cornerstone Fund, Grace Immanuel UCC renovated the sanctuary, removing hard oak pews and purchasing interlocking upholstered chairs, installing six video screens along the walls, rewiring the room for various musical/speaking arrangements. The upstairs Christian Education area was completely gutted and refashioned to allow for a hallway, entrance hall, and three modern classrooms. An old and very steep stairway to our downstairs fellowship hall and classrooms was eliminated, and a lift was installed in its place. Another stairway was dug near the front of the building. These changes made our fellowship area accessible for the first time in the history of the Church.

‘There is significant business investment entering our neighborhood these days. It has not escaped notice that we are a part of this revitalization, as we host neighborhood meetings and other groups.’ By being willing to undertake huge projects to ensure congregants can access the church’s services, Grace Immanuel UCC has demonstrated a commitment to every person who enters. As the senior pastor says, ‘The message is: We are here to stay.’”



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The Starting Point: A Local Church Lifecycle



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The Starting Point

Church Assessment:

- Where are you on the Church lifecycle?
- Assess your Ministry, where are you today -> tomorrow?
- Assess your Capabilities-What is needed to get you there, is it realistic, timeframe?
- Develop the Mission/Business Plan to get there (roadmap)
- Is the Mission Plan in alignment with the churches Vision?
- What other resources are available to the Church (Internal/External)?
- Is there flexibility built into the Plan?



Cornerstone Credit Metrics

Key Metrics Evaluated:

1. **Real Estate Collateral Loan to Value (LTV) $\leq 75\%$**
 - **Appraisal required for:**
 - All non UCC Loans
 - UCC loans $> \$1\text{MM}$
 - **UCC loans $< \$1\text{MM}$**
 - Other valuation methods
2. **Total Debt / Revenue: leverage multiple**
3. **Cash Flow / Debt Service: debt service coverage**
4. **Cash Balance: # months covering monthly debt service (P+I)**
5. **Revenue growth: 2-year CAGR**
6. **Membership growth: 2-year CAGR**

Cornerstone Credit Metrics

Key Metrics Evaluated:

7. Other Considerations:

- Other sources of revenue
- Strong financial reporting
- Endowment
- Other Collateral (Guaranty, Cash, Other)
- Loan Experience
- Other Compelling Factors
- Leadership with clergy and lay

Case Study

- St. John's congregation in the Central Conference has just experienced a great deal of damage due to a severe natural disaster, they have many repair needs.
- Additionally, St. John's had been contemplating renovations to their fellowship hall to create more flexible space.
- The pastor is relatively new and does not know where to turn.

Case Study

- Fortunately, the Conference Minister from the Central Conference has a strong relationship with Cornerstone Fund.
- The CM puts the pastor at St. John's in touch with the Cornerstone Fund, making an introduction to Cornerstone's CEO and CLO, and participating on the first call.
- After that time, the CM periodically checks in with both the church and the Fund to see if there is any assistance they can provide.



Coming Soon....

FINANCIAL MINISTRIES TOOL KIT

