

Financing Summary

Short- and Long-term (Construction loan and Mortgage)

Key Points

- Lutheran Church Extension Fund (LCEF) recommended to be primary lender. Mike Madison, LCEF NOW District VP is Point of Contact (POC).
- Currently anticipating seeking \$1.4 - \$1.5M in financing from LCEF. LCEF uses Adjustable-Rate Mortgage (ARM) adjusted annually based on market rates. Total monthly payment remains the same with principle/interest ratios adjusted.
- Church/school has approximately \$340,000 currently available for project. Most of this is earmarked for school usage from the sale of the modulars (\$80K) and the Phyllis Berry bequeath (\$240K).
- Estimated that the church will be required to raise approximately \$1.1 - \$1.2M via a ministry expansion campaign.
- LCEF construction loan would be for 24 months. Interest only payments required. Only pay for money drawn on loan.
- Construction loan interest rate is currently at 6.625%.
- The long-term mortgage interest rate is currently at 5.625%. Mortgage required to be in place at end of 24-month construction period.
- To service a \$1.4M mortgage, currently at 5.625%, would require approximately \$95 - \$97K annually or \$7.9 - \$8.1K monthly.
- The mortgage would be a 20-year loan amortized over 30 years with either a balloon payment at 20 years or a refinancing option.
- No pre-payment penalty.

HOPE LUTHERAN

Church and School · Idaho Falls, Idaho

Estimate for Hope Lutheran Church and School

Description	Estimate
Tear out old asphalt, reconstruct, plus new parking lot	\$212,905.50
New building with offices, classrooms and storage (8,500 @ \$180/sq ft)	\$1,530,000.00
Remodel HVAC upgrades with A/C	\$270,000.00
New bathrooms in existing building (708 sq ft. @ \$180/sq ft)	\$127,440.00
Fellowship hall remodel (1,304 sq ft. @ \$180/sq ft)	\$234,720.00
Contingency account (10% of total estimated cost)	\$237,507.00
A/E fees (mechanical, structural, electrical and plumbing) @ 4%	\$86,486.00
Estimated builder fee (8.5% of building cost)	\$201,881.00
Total Cost	\$2,900,939.50