



Frequently Asked Questions about the United Church of Christ Pandemic Relief Loan Program

Who is the United Church of Christ Cornerstone Fund?

The United Church of Christ Cornerstone Fund is a 501(c)3 non-profit organization that provides low-cost financing, exclusively to churches and affiliated non-profit agencies of the United Church of Christ, through investments made by individuals, churches, Conferences and Associations, and the National Setting. Since 1993, the Cornerstone Fund has helped finance more than \$225 million in 650 congregations and non-profit organizations across the country.

What is the United Church of Christ Pandemic Relief Loan Program?

The United Church of Christ Cornerstone Fund, an affiliated ministry of the United Church of Christ, has partnered with participating Conferences and the National Setting of the denomination to offer a low-cost financing program, specifically designed for churches.

While the Cornerstone Fund offers other financing options (secured and unsecured lines of credit and mortgage loans), the Pandemic Relief Program is specifically designed to meet the immediate cash flow needs that congregations need as congregants face unemployment and ministries face virtual environments – all leading to a potential reduction in giving and cash flow.

What are the terms of the Pandemic Relief Program?

The Pandemic Relief Loan is a single disbursement loan that is required to be fully repaid. Loan amounts vary by participating Conference and can range from \$5,000 to \$25,000 (please see the loan application [or] contact your Conference to determine your loan program details).

Through the partnership with the Conference and National Setting, the Cornerstone Fund Pandemic Relief Loan is available at a rate of 2.50% for the first 12-months. Interest-only, monthly payments (via ACH) are required (and typically begin six to eight weeks after funding).

It is hopeful that the church can pay the loan in-full after 12 months. If this is not possible, the loan will automatically convert to a principal-plus-interest loan (a fully-amortizing, permanent loan with an added two-year term for a total of three years). At conversion, the interest rate will be adjusted to be in accordance with Cornerstone Fund rates for a five-year secured adjustable rate mortgage (ARM), which is currently at 5.00%. Please note, however, there is *no* prepayment penalty.

Additionally, there is no collateral required for this loan (unsecured). These rate-subsidized loans are being secured by investments of the National and Conference settings of the denomination.

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What makes a church a good candidate for a Pandemic Relief Loan?

Reasonable loan candidates may be generally described as financially stable, organizationally viable and engaged prior to the pandemic. This type of church might currently be challenged in adjusting to remote community engagement, online giving, and balancing its budget, but it is actively engaged in activities to remedy these issues. This type of congregation can afford to make reasonable loan payments and have the ability to repay over one- to three-years.

How does a church receive one of these loans?

Conferences of the United Church of Christ must *opt-in* to the program before churches can begin the application process. Congregations within participating Conferences can apply between May 15 and July 15, 2020. Please note: applicants must receive the support of the Conference before Cornerstone Fund formal underwriting will begin.

Loan applications are required, and once submitted, will be reviewed on an as-received basis and will be processed, as outlined below. Loan applications and all supporting documents should be submitted via email to support@cornerstonefund.org.

Cornerstone Fund staff will then be in regular communication with each applicant on status updates and other underwriting needs. Understanding the immediate needs of these funds, Cornerstone Fund staff is prepared to expedite underwriting so that funds may be disbursed in a timely manner. Funds will therefore be disbursed via ACH.

Is other financing available?

Yes. The United Church of Christ Cornerstone Fund continues to offer unsecured and secured lines of credit, as well as adjustable rate mortgage loans to qualifying churches in varying amounts. Currently, in order to support the unique needs of congregations during the COVID-19 crisis, term loans in varying amounts are available at 4.00% to qualifying churches. Contact the Cornerstone Fund to learn more about these other borrowing options.



Call 888-UCC-FUND (822-3863) or
visit [www. cornerstonefund.org](http://www.cornerstonefund.org)

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