

# BRIDGE LOANS

FOR AFFORDABLE HOUSING  
ON FAITH LAND



## WHAT'S REQUIRED?

**Security:** the Foundation must be able to record a Deed of Trust in first position.

**Term:** the loan can last no longer than 5 years.

**Amount:** depends on your project. The Foundation requires a built-in contingency amount of 15-20%, a loan-to-value ratio of 10% or less, and a loan-to-project ratio of 80% or less.

**Repayment ability:** The congregation must provide budget, income, and expense reports for 3+ years that show their ability to make interest-only payments, describe a detailed exit plan, and have a contingency plan for repayment should the preferred exit plan fall through.

## HOW MUCH DOES IT COST?

Interest is set at the WSJ Prime rate at the time of origination, plus 1.5%. Churches with investment accounts at the Foundation receive a 0.5% discount on interest. Title insurance and legal fees are added to principal balance (these usually amount to less than \$1000). The church pays interest monthly, and then the loan balance comes due after a trigger event like the sale of property. There are no penalties for early repayment.

After your church's discernment process, but before your developer puts together a funding stack, your church may face expenses for permitting, project management, legal documents, and other pre-development costs. Don't let this be a barrier to your ministry of building affordable housing in your community. The Foundation can help with short-term funding.

**Contact us now to start your hassle-free loan application:**  
[staff@faith.foundation](mailto:staff@faith.foundation)  
**(800) 488-4179**

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