

Church Real Estate Financing

FREQUENTLY ASKED QUESTIONS

Is church financing available?

Church financing is a very specialized form of commercial lending. Because it is so specialized, many financial institutions do not offer financing for churches. Fortunately, there are some good church lenders including a few commercial banks, credit unions, and other lending sources. We can assist churches to find the right financing.

How large a down payment is usually needed?

Often, potential church buyers are surprised to learn that the down payment percentage needed to finance a church property is usually much higher than to buy residential property (25-30%). Many times their surprise is quickly followed by disappointment because they don't have enough funds saved for the down payment required by the lender. One of the first steps in preparing to relocate is financial planning. We can help your church formulate its relocation plan.

Are there benefits to being pre-qualified by a lender?

There are a number of benefits when a buyer is pre-qualified by a lender before viewing a property and writing a purchase offer. The pre-qualified buyer:

1. Is in a favorable negotiating position
2. Saves time and effort in viewing only properties they are qualified to buy
3. Can prevent the embarrassment of being turned down for a loan
4. Avoids placing the sellers' financial security at risk (by needlessly taking the property off the market)
5. Can reduce the escrow time because the loan approval process is already in progress.

Buyers who are motivated will do what it takes to be in the most favorable position to acquire a property. All else being equal, a seller will certainly take the offer of a pre-qualified buyer over one that has not been pre-qualified. We can assist in finding the right lender.

What does it take to qualify for church financing?

Every lender is a little different, but in general a church borrower A) needs to be incorporated, B) have three years or more of financial statements, C) have a good down payment, and D) have sufficient income to make the loan payments. We can assist you in determining the amount you qualify for.

How is a realistic market value determined?

A key component in marketing a property is having a realistic asking price. Through special training and many years of experience, Kathy can establish a realistic market value for church property. Using an extensive database of comparable church properties, along with construction costs and land values, plus public records, Kathy will prepare a report of her opinion of value. On average, the opinion of value is within a very few percentage points of the actual sales price.

How long can it take to sell a church property?

There are many factors that influence the sale of a property -- such as location, price, and building condition and market conditions. Over the past few years, Kathy's experience has been that it takes an average of about five months to get a church property under contract and about three more months for escrow to close.

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Reasons Churches Rely on **KATHY CLARK**

as their Church Real Estate Specialist...

EXPERIENCE

Kathy has over 30 years experience in this "niche" market. The fit was a natural for her as the former Corporate Secretary of Victory Outreach International, where she was involved in the sale, purchase and refinancing of church real estate across the nation and internationally. Over the years she has developed strong working relationships with various church executives, pastors of many denominations, and leaders of faiths other than Christian. Her experience has included selling church properties, church-owned homes, land, school, office, and industrial properties.

What does this mean to you? Experience counts. Kathy has the expertise required to assist from the small emerging groups to those of the ultra-large Giga congregations. Her local and nationwide network of religious facility professionals is equipped to locate and negotiate suitable building solutions and assist in providing financing options. Knowing how to work with Church Boards and help with the challenges, complexities and required documentation needed is essential to meet the highly specialized needs of religious facilities. As a former Corporate Secretary, Kathy can guide and provide the necessary information to facilitate in making solid real estate transactions.

RESOURCES

As a professional, Kathy has sought to incorporate resources that enhance her ability to serve clients.

Church Development Services – Several sources to purchase complete, predesigned church building plans – many to choose from – saving 50% of the traditional costs.

Lenders. Loans for churches are not like home loans or commercial loans. Most lenders refrain from serving non-profit voluntary associations such as churches. Those that do serve them are often not well known, are out of state, and difficult to locate. Kathy maintains an extensive list of church lenders. Knowledge of the underwriting requirements of church lenders can save you time, money, and frustration.

Century 21 Allstars Commercial Division, has been the recipient of the prestigious Grand Centurion Award for the last 10 years, which is awarded to only 3% of offices nationwide. The Century 21 system offers representation in 60 countries and more than 8800 offices. Our comprehensive referral network and technology driven tools will help facilitate your real estate transaction. Together these resources enhance Kathy's ability to develop her specialty as a Church Real Estate Specialist.

Email Network with Commercial Brokers. Kathy has developed an email directory of the top 30 Commercial and Church Real Estate Brokers. She can send them information about listings as well as solicit information about their listings.

Internet. Kathy maintains a web page (www.ChurchRealEstate.biz), uses Loopnet (www.loopnet.com), CoStar (www.Costar.com) and the Century 21 network. Listings will also be posted on other web pages common in the industry.

INTEGRITY

When all is said and done, you want to rely on someone who values integrity above all else and who must put the interest of the client above their own. With 25 years of past experience as a Corporate Secretary and board member of several nonprofit corporations, Kathy strives to maintain her reputation as a woman of integrity.