

Foundation Loan Rates

The United Methodist Foundation of the Northeast's Loan Committee continuously reviews market conditions and when deemed appropriate, adjusts rates bi-annually to offer competitive rates to United Methodist churches and agencies of the New England and New York Annual Conferences who wish to refinance debt, build, repair, renovate, and/or expand church buildings.

The rates are current as of October 1, 2026. All rates are subject to change without notice. For more information about loan rates and programs, please contact Tom Kinney, Foundation Loan Officer, 800-595-4347 x107.

1. Permanent Mortgage Loan Rates (up to 15-year term):

Loan Options, Terms, and Interest Rates:

Secured by Church and/or Church Property

- One-year ARM (**Adjustable-Rate Mortgage**): 6.39 percent (6.39%)
- Three-year ARM: 5.99 percent (5.99%) (interest rate is fixed for three years)
- Five-year ARM: 6.03 percent (6.03%) (interest rate is fixed for five years)

Secured by Residential Building (e.g., Sub-Divided Parsonages)

- One-year ARM (**Adjustable-Rate Mortgage**): 6.14 percent (6.14%)
- Three-year ARM: 5.73 percent (5.73%) (interest rate is fixed for three years)
- Five-year ARM: 5.79 percent (5.79%) (interest rate is fixed for five years)

Interest rate caps: Foundation Loan Rates will increase by not more than two percent (2%) a year, and not more than six percent (6%) over the life of the loan.

2. Permanent Loans secured by Funds on Deposit with the Foundation (up to 20-year term):

Funds must be deemed unrestricted in writing by the borrower prior to closing:

- One-year ARL (**Adjustable-Rate Loan**): 5.64 percent (5.64%)
- Three-year ARL: 5.24 percent (5.24%) (interest rate is fixed for three years)
- Five-year ARL: 5.29 percent (5.29%) (interest rate is fixed for five years)

Interest rate caps: Foundation Loan Rates will increase by not more than two percent (2%) a year, and not more than six percent (6%) over the life of the loan.

3. Construction Loans

Loan Options, Terms, and Interest Rates:

- Options: New Construction and Minor or Major Renovation to church buildings
- Terms: 6 – 12 months in duration, extensions of up to 12 months shall be considered upon request
- Interest Rate: Please call the office for a rate quote.

Note: There are no interest rate caps on these loans.

4. Church and Residential Deferred Maintenance Line of Credit (LOC)

Purpose: To allow convenient and consistent access to funds for the maintenance of church property on a timely basis.

- For deferred maintenance on Churches and Parsonages
- The first two years can be interest-only; adjusted annually to the posted annual interest rate.
- The Interest Rate is determined by the collateral used to secure the loan; please refer to the Foundation's posted one-year rates.
 - ***Note: Due to the short-term horizon for this type of loan, the Foundation offers a discount of 0.25% to posted rates when funds on deposit is the collateral securing the loan. The discount will apply to posted rate adjustments over the expected life of the line of credit (LOC) loan up to three (3) years from origination date.***
- A Line of credit (LOC) loan may remain open for future projects when paid down to \$1.00 once every two years; for balances over \$1.00, a one-time holdover extension of up to 12 months shall be considered upon request.
- If real estate is used to secure the loan, the borrower is responsible for the cost of title work and the mortgage recording.
- Line of Credit loans inactive for more than 12 months will incur a \$200 fee.

5. Administrative Fees*/Prepayment Penalty:

- New loans: Loan fee is one percent of the loan amount to a maximum of \$2,500.
- Refinanced loans: Loan fee is one percent of the loan amount to a maximum of \$2,500.
- Line of Credit (LOC) loans: a \$250 loan fee applies to all LOC loan requests up to \$100,000.

*Minimum loan fee: \$250 for all loans

Fee payment:

- Standard Loans: The fee payment is divided into two parts: 50 percent of the calculated fee, non-refundable, is due when the signed Initial Terms Letter is returned to the Foundation and the remainder of the calculated fee is due at the time the Commitment Letter is signed and returned to the Foundation.
- Refinancing of an existing loan: 1% is due at the time the Commitment letter is signed and returned to the Foundation.
- LOC loans: 100% of the one-time loan fee is due when the signed Initial Terms letter is returned to the Foundation.

Prepayment Penalty: None