



NORTHWEST BAPTIST FOUNDATION

The Foundation's current index for rates is tied to the 3-year T-bill constant maturities as published for the first business day of the month by the Federal Reserve Statistical Release H.15, plus 3.00% rounded to the next highest quarter percent as our indices (See <http://www.federalreserve.gov/releases/h15/>).

The Board elected to use the 3-year Treasury bill constant maturities as their indices due to its stability. **For November 1, 2009** the rate would be 1.44% plus 3.00% rounded up to **6.50%** (**rounded to the interest rate floor**). This rate is our base rate for determining long-term loans over \$400,000.

Construction Rates and policy:

7.50% Loans under \$400,000
7.25% Loans in excess of \$400,000

- a. Interest only would be due on the outstanding balance with a term not to exceed 18-months.
- b. The new loan would have an origination fee per the schedule below.
- c. There would be no pre-payment penalty.
- d. The construction loan would still be collateralized with a first trust deed on the Church's property.
- e. The loan would have the provision that if the Church ceases to be a cooperating church with the Northwest Baptist Convention, that the loan would be callable.

Long-term rates and policy:

6.75% Loans under \$400,000
6.50% Loans in excess of \$400,000

- a. The rate would be adjusted every 3 years on the anniversary date of the loan **with a floor of 6.5% and a ceiling of 11%**.
- b. The term would not exceed a 15-year period, but amortization could be based on a longer term with a balloon payment.
- c. The long-term loan would have an origination fee per the schedule below (1% if the long-term loan is approved with the construction loan).
- d. There would be no pre-payment penalty.
- e. The long-term financing would still be collateralized with a first trust deed on the Church's property.
- f. The loan would have the provision that if the Church ceases to be a cooperating church with the Northwest Baptist Convention, that the loan would be callable.

Origination Fees for Loans –

2.0 points on first \$1 million
1.5 points on amount above \$1 million