

## Church Extension Fund (CEF)

The Church Extension Fund provides loans to parishes for construction of new buildings, and the expansion or renovation of existing buildings. Such a loan is a first mortgage registered against the parish property for five year terms, subject to renewal, and usually amortized over a period of 25 years or such lesser period as the borrower requests. Borrowers are free to repay in advance of their contractual obligations.

The amount in the CEF available for such loans is, of course, dependent on the regularity with which existing outstanding loans are repaid.

The interest rate is set based on the first mortgage rate for prime mortgages for a five year term as published by the diocesan banker (currently BMO Bank of Montreal). This rate is then modified as follows:

- 3% below bank rate for the first five years
- 2% below bank rate for the second five years
- 1% below bank rate for the third five years
- full bank rate thereafter
- no mortgage shall be less than 4% nor higher than 12% per annum

[CLICK HERE](#) for a copy of the loan application form (Section 6). When applying for a loan, this form should be submitted to the Property and Finance Committee, c/o Director of Financial Ministry at the Synod office.