



Presbyterian Investment & Loan Program

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Investment &
Loan
Program Inc.



What We Do

The Presbyterian Investment & Loan Program (www.pilp.pcusa.org) offers low-cost loans to churches, mid councils, and other organizations affiliated with the PC(USA). Investor funds are raised through the sale of investments called Term Notes and Denominational Account Receipts.

The Mission Investment Fund (www.mif.elca.org) functions similarly through the ELCA.



Construction



Renovation




Refinance




Building

TYPES OF LOANS




Restoring Creation Loan

RECYCLE your SAVINGS on energy into your MISSION budget!



- ✓ Lower Interest Rates
- ✓ Lower Equity Requirements
- ✓ Flexibility in Loan Terms




Accessibility Loan

MAKING our BUILDINGS more welcoming and ACCESSIBLE!





Safety & Technology Loan

MAKING our BUILDINGS SAFE and SOUND

Special Purpose Loans



Return on Investment
goes beyond
financial!

Energy savings

Building reliability

Occupant comfort and health

Care for our environment



Making our church
campuses more
ENERGY EFFICIENT

The National Council of Churches estimates that if each of the nation's church campuses cut energy use by 25%, they would save nearly \$500 million to spend on other priorities.



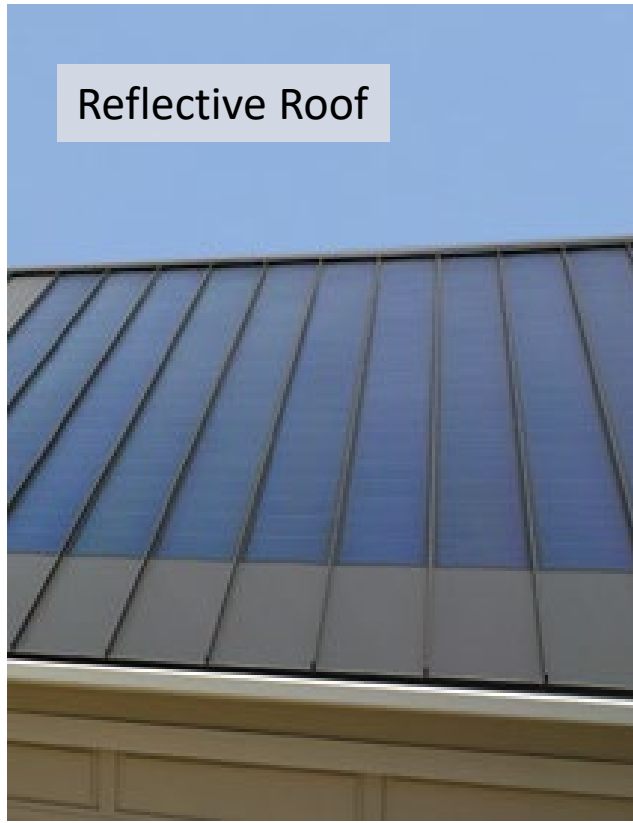
Energy Efficiency Nominal or No Cost

- Fix leaky faucets
- Low-flow faucet aerator
- Caulk and weather strip
- Switch to CFL bulbs
- Turn off lights or use timers
- LED Exit Signs
- Remove older fridges /vending machines (huge energy use)

Geothermal



Reflective Roof



Higher Cost Projects

- Switch to LED lighting
- Replace old boilers and HVAC units
- Zonal thermostats
- Energy Star appliances
- Energy efficient roofing systems – reflective roof
- Climate specific Windows
- Pervious paving
- RENEWABLE ENERGY





Solar Purchase Options

There are several options for going solar and each provide different benefits and cost structures.

DIRECT OWNERSHIP



The church purchases the solar panels and receives all of the electricity and state/federal incentives if applicable. You may take out a loan to spread out upfront costs over 10 or more years.

Financial benefits of DIRECT OWNERSHIP

- Electricity savings: solar array connected behind existing electrical meter and will directly reduce electric bill.
- State or federal incentives: In many states can receive incentive rates per kWh .
- Unfortunately, until recently non-profits are unable to take advantage of tax benefits associated with solar ownership.

PURCHASE POWER AGREEMENT



The church pays nothing up front and purchases solar electricity at a discount through a Power Purchase Agreement.

Financial benefits of POWER PURCHASE AGREEMENT

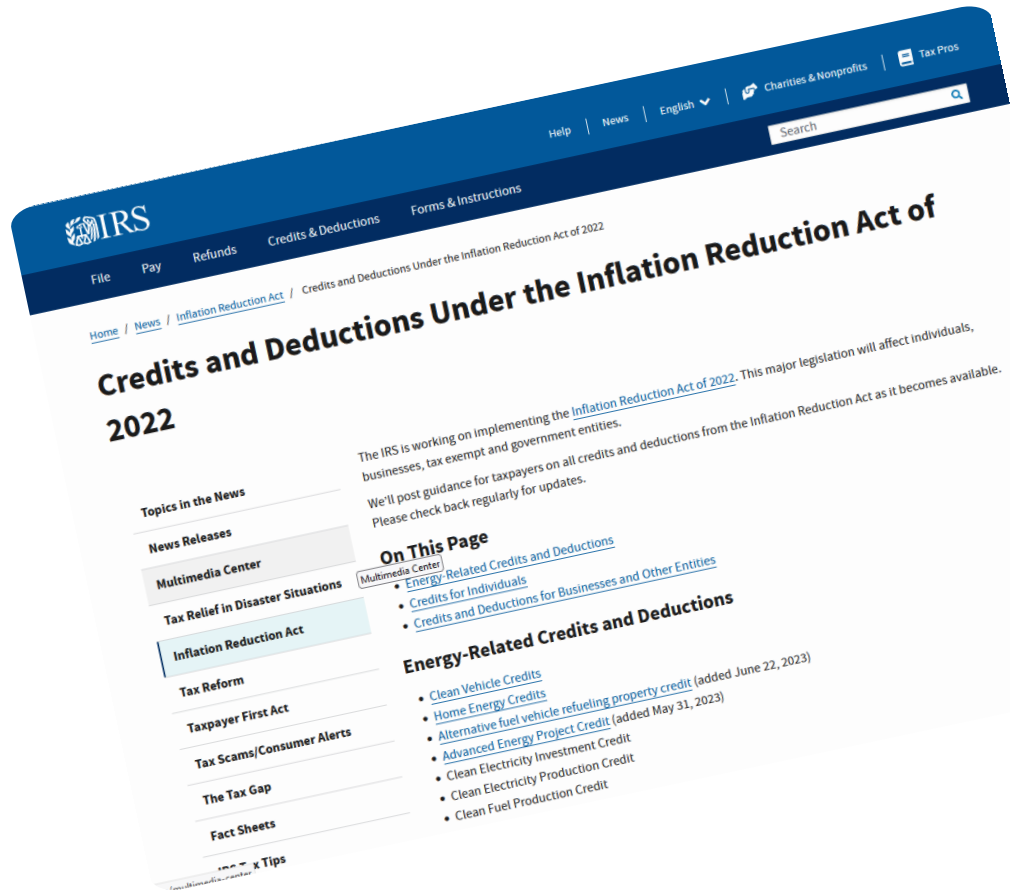
- No upfront costs
- Can save money on electric bill by locking in long-term, stable rate below current utility cost.
- Typically, extra credits, often created in the summer months, will carry forward on your electric bill to be used during winter months.



COMPARISON OF OPTIONS

	Option 1 Direct Ownership	Option 2 Power Purchase
Array Size	50 panels (15 kW)	50 panels (15 kW)
Estimated Annual Output	69% of usage (19,500 kWh)	69% of usage (19,500 kWh)
Equivalent CO2 Reduction	Preserving 17 Acres of Forest	Preserving 17 Acres of Forest
Upfront Cost	Est. \$100,000	\$0

Inflation Reduction Act (IRA)



- The IRA of 2022 has changed the game for non-profits including churches by a direct pay version of the solar Investment Tax Credit.
- Now churches can receive a direct payment of 30% of their total solar energy system installation costs
- The IRS will be releasing guidance and application forms later this year.
 - Will be in the form of reimbursement
 - Will need to pay total cost upfront (optionally with assistance of a loan
 - Reimbursement will be received within one to two years.

FINANCING OPTIONS

	Option 1 Direct Ownership
Upfront Cost	Est. \$50,000
Estimated Loan Rate	4.75% (Restoring Creation Loan - PILP)
Term	Up to 10 Years
Annual Payment (for 10 years)	\$6,288



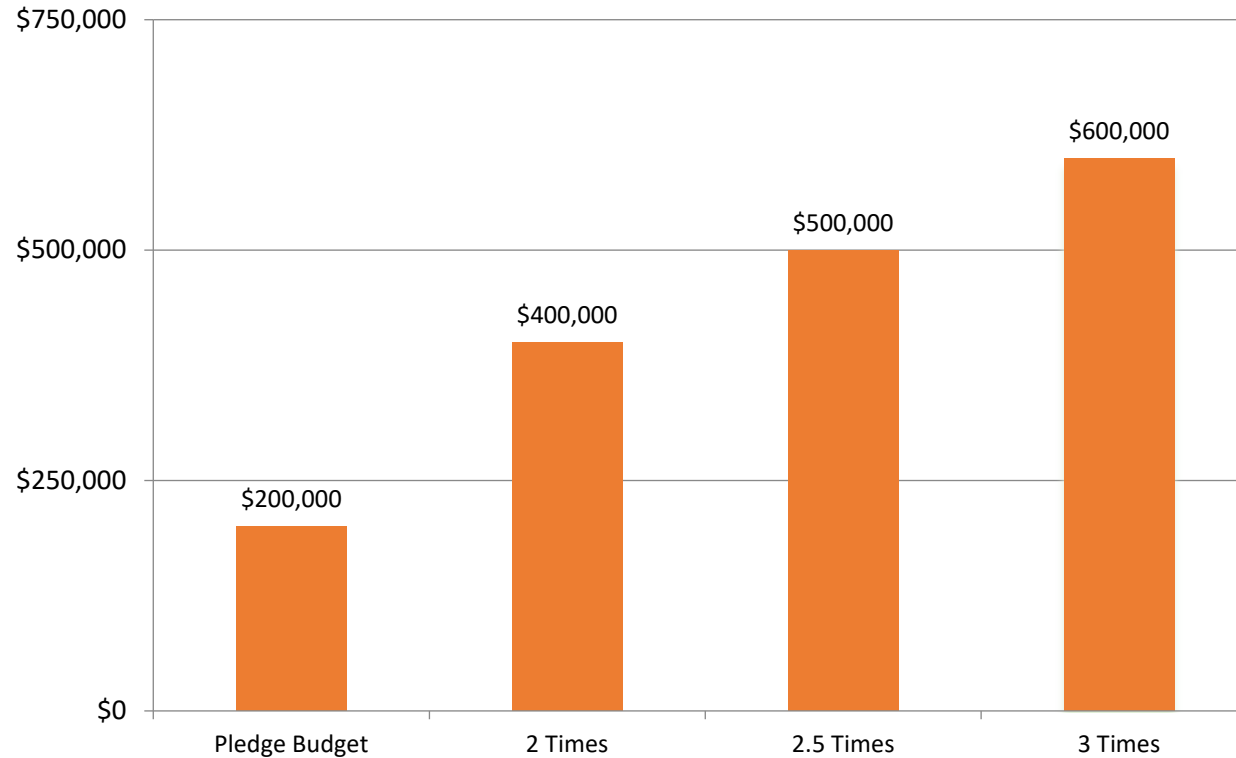
Financing Larger Scale Projects

- Unrestricted Reserves
- Capital Campaign
- Low-cost Loan
- Combination of some or all of the above



Typical Capital Projects

What does the typical capital campaign generate

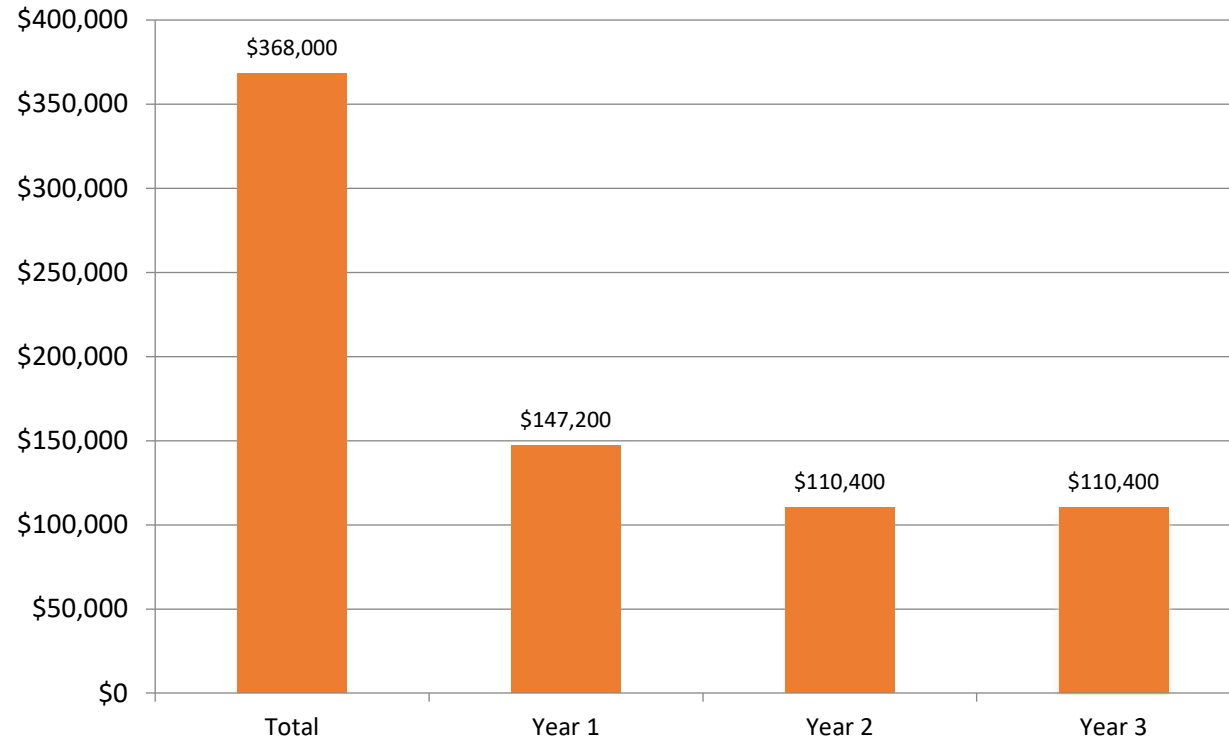


A successful capital campaign ran with a professional consultant typically yields pledges equal to 2-3 times the pledge budget.



Typical Capital Projects

Disproportionately more comes in the first year

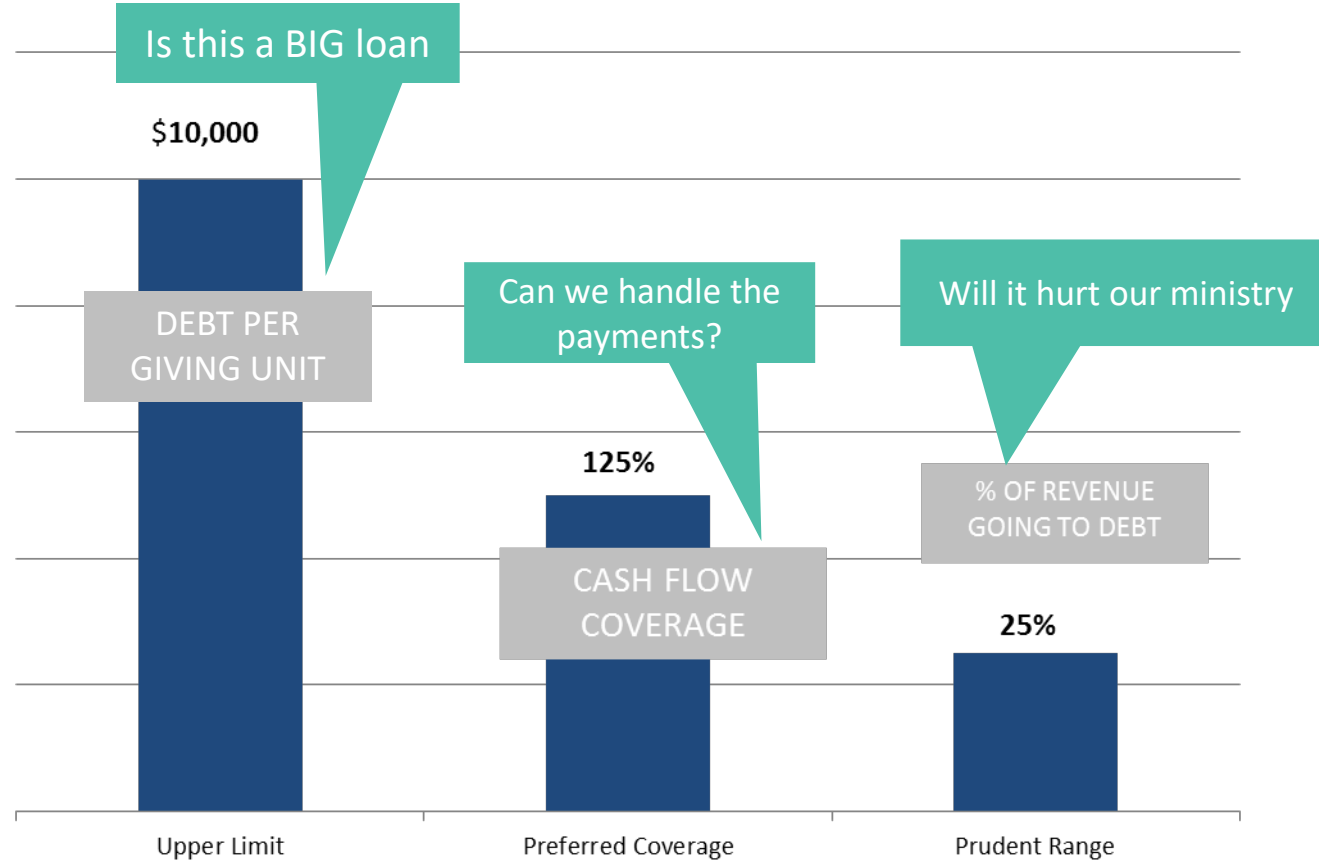


Based on \$400,000 capital campaign goal and assumes that 92% of pledges will be received.



Investment & Loan Program Inc.

How does our debt compare with lending norms





Additional Resources



www.presbyterianmission.org/ministries/environment/

<https://www.presbyterianmission.org/ministries/environment/earth-care-congregations/>

<https://presbyearthcare.org/>

<http://www.mif.elca.org/building-green>

www.mif.elca.org/resourcecenter