

RIVER OF LIFE FELLOWSHIP

MAY 1, 2017

CLIENT PROFILE

River of Life Fellowship was founded in 1982 by its current senior pastor, Jack Holt. The church began worshipping in rented facilities, bought its first facility in 1985 and then relocated to its current site in 2002 after completing construction of a 52,000 square foot sanctuary building. The church's existing property consists of the approximately six-acre main church site containing the sanctuary facility, an administrative site located across the street from the main church site and an adjacent, undeveloped small tract of land.

The construction financing for the sanctuary facility was originally provided by a national bank. In June 2009, the Church refinanced that debt by incurring three loans that were part of one credit facility totaling \$4,500,000 with another commercial bank. The three notes were issued with different rate structures, including an interest rate swap and a yield maintenance rate prepayment penalty provision.

THE ZIEGLER DIFFERENCE

In 2017, the church began discussions with Ziegler about the long-term, fixed rate financing structure it offers with its lending program. Despite the prepayment penalties associated with refinancing its bank loans,



\$4,150,000 | REFINANCING
River of Life Fellowship | Kent, WA

the church wanted to avoid future interest rate risk and was interested in locking into a fixed rate structure in advance of the bank loans maturing in 2019.

Proceeds from the 2017 financing were used to pay off the three bank loans, which involved unwinding the interest rate swap associated with one of the notes. Ziegler partnered with the church as lender, but was also retained for its advisory services related to the swap termination. The refinancing secured a 25-year fixed interest rate, lowered the church's monthly payment and will ultimately save the Church approximately \$30,000 in annual debt service.

"With a balloon payment approaching in two years, the Board elected to refinance with Ziegler now and eliminate future interest rate risk. Not only did we secure favorable interest rates with no prepayment restrictions, we were also able to save over \$30,000 annually which we can re-direct into ministry."

Bill Bochsler
Administrative Pastor
River of Life Fellowship, Kent, WA

This client's experience may not be representative of the experience of other clients, nor is it indicative of future performance or success.

ZIEGLER

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