

Wars and Rumors of Wars: Geopolitics and Church Finances



BMO



May 6, 2026

May 6, 2026 - Realities



Ukraine and Russia...



**Iran, Lebanon, Israel, and
the United States**



Fuel Prices



**Fed Chair confirmation
Hearings**



Interest Rates



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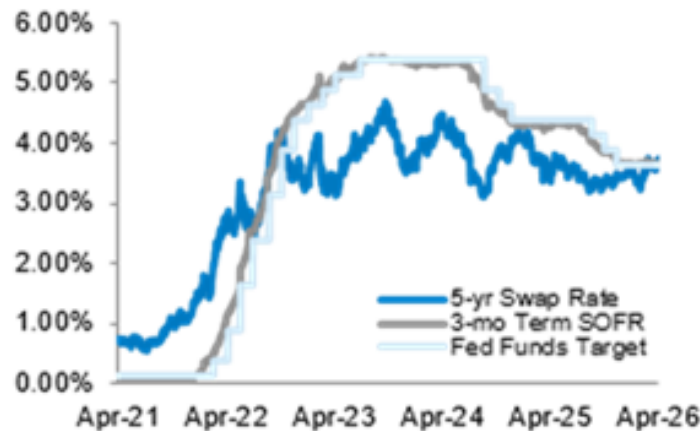
Rate cuts for this year have been fully priced out



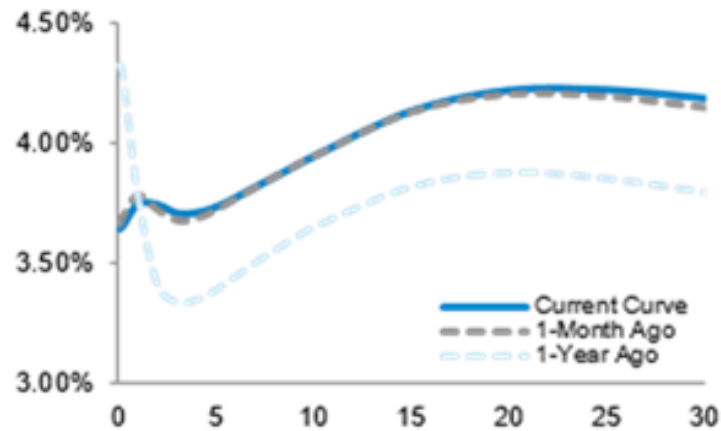
Source: The Bitcoin Layer, CME Group, Fed, Macrobond

Market Snapshot⁽¹⁾

Historical Interest Rates



Swap Curves



Interest Rate Swaps

Swap Term	Spot Starting Swap Rate	3 Month Forward Premium (bps)	6 Month Forward Premium (bps)	1 Year Forward Premium (bps)
2 Year	3.749%	-1	-2	-6
3 Year	3.714%	0	0	-1
4 Year	3.716%	1	2	2
5 Year	3.739%	1	3	5
6 Year	3.778%	2	3	6
7 Year	3.821%	2	3	6
8 Year	3.863%	2	4	7
9 Year	3.906%	2	4	7
10 Year	3.948%	2	4	8

(1) Source: BMO Capital Markets, Bloomberg. Levels shown are interbank (AA equivalent) indications and may not represent actual trading levels. Swap Rates reflect Bloomberg benchmark levels (Fixed leg: annual payments, Act/360 day count; Floating leg: annual payments indexed against overnight SOFR, Act/360 day count). April 29, 2026.

Implications for Church Financing



Church Loans

Funds are available from lenders for churches



Interest Rates

Rates comparable to historic rates, not likely to change dramatically.
(excluding the COVID era)



Characteristic Needs

Acquisition, Renovation/Capital Improvements
Additional “add on” Space, New Construction

Sources of Church Financing



Investment Funds

Denominational Lenders
(example: AG Financial, Christian Investors, etc.)



Faith based Financial Institutions

Faith based “field of membership”
(example: Christian Community Credit Union)



Commercial Banks

Regional and National Commercial Banks
(example: BMO Commercial Bank)

Borrowing Criteria for Church Financing



Cash Flow

Historic Cash sufficient to service proposed debt
(measured as debt coverage ratio > 120%)



Liquidity

Historically adequate operating reserves, and
Cash sufficient to complete project.
(3 months expensed minimum reserve level)



Collateral

Appraised market value (as it or as proposed)
At least 75% of loan amount

Beyond Church Financing



Fraud Prevention

Banking/Check Fraud more prevalent than ever
(Utilize banks fraud protection services)



Treasury Management

Online tools more robust than ever
(Integrated with fraud protection, bill payment, etc.)



Commercial Credit Card

Can be used on valuable cash management tool
(Cash back/Rewards, Float management,
Fraud Protection)

Greatest risks to your congregation today

PROJECTED MONTHLY INCOME		€ 2,500.00	PROJECTED BALANCE	
Income 1		€ 500.00		
Extra income		€ 3,000.00	ACTUAL BALANCE	
Total monthly income		€ 2,500.00		
ACTUAL MONTHLY INCOME		€ 500.00	DIFFERENCE	
Income 1		€ 3,000.00		
Extra income		€ 2,500.00		
Total monthly income		€ 3,000.00		
		Projected Cost	Actual Cost	Difference
	€	1,500.00	€ 1,400.00	€ 100.00
HOUSING	€	60.00	€ 100.00	€ (40.00)
Mortgage or rent	€	50.00	€ 60.00	€ (10.00)
Phone	€	200.00	€ 180.00	€ 20.00
Electricity	€	50.00	€ 48.00	€ 2.00
Gas				
Water and sewer				
Cable				
Waste removal				
Maintenance or repairs				
				1,788.00



Inadequate liquidity



Staffing



Reporting/systems weaknesses



Lack of Vision

Mistakes vs Opportunities for Growing Churches



Don't Delay Hiring of Professionals

Hire professionals ahead of the need



Don't rely on Spreadsheets

Use the right software and financial tools



Don't Lack Process Documentation

Document, update, and review regularly



Don't keep Inadequate Financial Reserves

Keep 3 months or more of liquidity



Don't Underinvest in Staff Training

The only thing more expensive than investing in staff development is not developing them...

Building a Foundation That Supports Growth



Meet our team



Jeremy Moore

Managing Directory, Head of Religious Institutions Banking Group

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Jeremy has spent the last two decades serving the investment and financing needs of large communities of faith. His background and experience ensure a thorough understanding of your ministry's unique needs. He holds undergraduate and graduate degrees from Stanford University, Auburn University and Northwestern University's Kellogg School of Management. When he's not serving his clients and team, Jeremy spends time with his family and serving on several nonprofit boards.



Emily Johnson, Treasury Consultant

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Emily specializes in cash management strategies for faith-based organizations. With extensive experience in treasury solutions, Emily partners with ministries to implement tools that enhance efficiency, mitigate risk, and support long-term growth. Her expertise includes fraud prevention, payment optimization, and liquidity management tailored to the unique needs of churches and nonprofits.



Religious Institution Banking

<https://commercial.bmo.com/church>