

The Foundation for Lutheran Child and Family Services of Indiana, Inc.

Background

The Foundation for Lutheran Child and Family Services of Indiana, Inc. (LCFS) recently retained McGuire Sponsel to ensure appropriate strategy, documentation, structure and pricing of a lender-mandated interest rate swap.

For 133 years, in some form or another, LCFS has been providing programs of care and counsel to those in the community who need it most. Diversity and inclusion are core values of LCFS and as such the organization commits to continually developing and implementing practices, programs and a workforce resembling the clients and communities it serves.

Interest Rate Swap Need

The lender was requiring an interest rate swap to hedge against the impact of rising interest rates on a debt refunding. The lender, however, provided limited guidance to the board regarding alternative approaches in structure, pricing and tenor.

Interest Rate Swap Process

McGuire Sponsel worked closely with LCFS to develop an independent strategy for entering into the interest rate swap. Using McGuire Sponsel's expertise and infrastructure, LCFS was able to develop an appropriate swap strategy while gaining price transparency of the required swap transaction.

Outcome

LCFS was able to obtain independent, unbiased advice while also reducing the bank's targeted profit by 43 percent.

CLIENT SNAPSHOT

Client Type
Nonprofit

Project Location
Indianapolis, Indiana

Project Objective
Ensure appropriate swap strategy, documentation, structure and pricing of the lender-mandated swap

Source of Funding:
Bank Financing

