



Non-Profit Company

Turnaround of the Year

Christ's Household of Faith, Inc.

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Christ's Household of Faith, Inc. is part of an apostolic community in St. Paul, Minnesota, where individual members contribute their labor and services to support the community and its Christian mission. The community is a charitable, benevolent, and educational organization dedicated to fostering a better understanding of Christ and supporting members to live a spiritual life focused on serving God and others.

About 470 members belong to the community, founded in 1971, living in homes owned by CHOF and working in various entities operated by CHOF that provide residential remodeling and renovations services. The community operates a school serving more than 165 children from pre-kindergarten through 12th grade and runs a summer bible camp on property owned by the Christ's Household of Faith Church.

Though negatively impacted by the recession, CHOF and its operating entities were beginning to rebound. However, its secured loans were unexpectedly purchased by a private equity fund, which refused to extend the maturity date as regularly occurred with the original lender.

Instead, the debt purchaser began foreclosing most of the residential properties occupied by community members. When negotiations with the debt purchaser failed, CHOF filed for chapter 11 to avoid foreclosure. Through the time and forum provided by the bankruptcy case, CHOF was able to negotiate with the debt purchaser and other creditors, and obtain financing from a new lender that will allow CHOF to continue operating and maintain the community.

The reorganization plan substantially paid down debt while also forgiving millions of dollars of debt. The plan also provided for other secured creditors to be paid in full over time, and unsecured creditors to be paid in full within approximately 180 days. In addition to being beneficial to CHOF and its creditors, this plan also allows community members to remain in their homes and continue striving to meet their mission of service.