Ten Things you may or may not know about
FPCGV’s Mortgage Loan
and\or how to pay it off

(Yup, some of this can be a bit confusing)

1. Yes, FPCGV has a mortgage loan that was originally used to increase the size of sanctuary, Christian education rooms and office space in 2004. The original loan amount was $3.6 million and now the principal remaining is approximately $2.3 million.

2. Yes, the mortgage loan is a variable-rate loan, which resets every five years. Currently the rate is 4.5% (FYI, one of our committee members - who works in the lending industry - referred to this as a “time-bomb.”)

3. FPCGV’s accounting system is setup with an Operating Fund and many “designated” funds. When a congregation member contributes money to our church - without designating it - the money automatically goes toward the Operating Fund.

4. Mortgage Loan History and Past Plans

This original plan in 2004 was to have 3 three-year capital campaigns and to be debt-free in nine years, or by 2013.

The first three-year campaign was launched and was quite successful. It raised over $1.2 million that was used to pay down the mortgage principal as planned and create a mortgage reserve fund of $700,000.

Subsequently the second and third campaigns were never initiated, thus our mortgage reserve account has fallen as low as $105,000.

5. When the mortgage loan was originally taken out it was called a “designated fund” and was labeled “Building Fund”. We are working to change the name to “Mortgage Fund” on all communications so it more accurately reflects how these funds are being used.

6. When a FPCGV member wants to make a contribution to pay down the mortgage, the check - or contribution - must be “designated” toward the Mortgage Fund. That means the actual words “Mortgage” must be written on the check.

(FYI, the Finance Committee is investigating existing online electronic means of making future contributions directly into both the Operating and Mortgage accounts. Many members now bank online and report their young adults kids do not even physically have a checkbook.)

7. Each fall during the Stewardship Campaign, members are asked to sign a pledge card for the Operating Fund AND the Mortgage Fund.

8. Currently our annual Operating budget is about $770,000 and our annual mortgage payments are about $230,000.

In recent years during the Stewardship Campaigns, we normally receive about $550,000 in pledges from 170 families\individuals toward the operating budget and about $225,000 in pledges from about 125 families\individuals for the Mortgage Fund. While not all pledges are fulfilled, additional funds are received through loose offering. Expense shortfalls are covered from our operating savings account.

9. The Mortgage Reduction Task Force recommendation is for everyone to increase their combined total giving by 25% and apply - or “designate” - that additional 25% to the mortgage. This additional 25% contribution amount should allow us to be debt-free by 2020 - if we start immediately!

Even at this increased contribution level, it is estimated the congregation will be giving around 3% of their income, not the 10% of the Biblical tithing level.

10. If the Mortgage Reduction Task Force’s (MRTF) recommendation results in some members simply switching existing contributions from the Operating Fund to the Mortgage Fund, it will accomplished nothing. In fact, it will wreak havoc with the church finances.

We need increased contribution levels from all members of our wonderful congregation, if we hope to be debt-free and financially secure, which will open up many opportunities to significantly support more of God’s ministries.

We are all in this together.

God Bless,

FPCGV Mortgage Reduction Task Force - May 2015