

Board Report
Finance and Stewardship Committee, January, 2012

The January meeting of the Finance and Stewardship Committee was held January 16. Following a review of the December statement and discussion to organize work for the year 2012, the committee focused on the proposal for loan modification presented by Rick Reisinger, Vice President and Treasurer, the Board of Church Extension.

For context, the 2011 F/S committee began a dialog with the Board of Church Extension (CE) following completion of the 2011 capital campaign. In essence we said that we have sacrificed mission and ministry to be able to meet the monthly loan payments of \$21,966. Although we conducted, with the help of CE, a vital and exciting capital campaign, pledges obtained will not enable us to meet that level of payment and we asked CE to advise what type restructure they would prefer to implement that will enable us to balance mortgage payment with expected BF contributions and allow us to once again focus on being a vital mission church.

CE responded with a temporary change that would be in place until we reached a more permanent restructure. Beginning December 1, 2011 we would pay, for both loans, \$15,000. This is essentially interest only. In addition, the consulting fee for the Capital Campaign was reduced from \$16,000 to \$7,200 and the \$1000 per month payments on the consulting fee would be applied to loan principle and interest in addition to the \$15,000. This interim agreement will expire when the loan modification is implemented.

On January 12, Rick met with Jim Self, Ham Kimzey, David Griffin and Bill Groce. He proposed a loan modification that will reduce our equivalent monthly payment to \$14,014 with certain conditions. The full set of proposal and conditions are:

- 35 month term
- Reduced interest rate on both loans, both loans to be on same renewal timetable
- 30 year amortization schedule
- Bi weekly payments of \$6,468. This is equivalent to \$14,014 per month but paying every two weeks will reduce principle more quickly, saving interest expense
- Build Fund contributions will be transferred to our investment account with CE and we will hold the one month payment in reserve. We now have almost \$51,000 in an investment account with them now. That money can be withdrawn at will as long as we leave at least \$14,014 on deposit.
- Automatic payment of the mortgage every two weeks
- Monthly financial statements available to CE
- Semiannual CE visits to monitor and or help with mission/ministry program progress
- Implement Legacy Gift plan
- Aggressively attempt to sell Church on the Hill property
- Effective date March 1, subject to approval of our Board and the CE Board
- No fees charged by CE, recording fee and possible Georgia intangible tax are the only fees, amounts to be determined next week

The Finance Committee reacted very positively to this proposal and recommend that the Board approve it at the January 28 meeting. To implement this agreement the Board will need to approve a Special Request Form that states the terms and conditions listed above. A copy of the Special Request Form is attached. A motion was made, seconded and approved recommending Board approval.

January 20, 2012

Billg5@tds.net

Bill Groce
Cherry Log Christian Church
Post Office Box 289
Cherrylog, Georgia 30522-0289

Dear Mr. Groce:

Cherry Log Christian Church
Cherry Log, Georgia – Loan Nos. 13479 and 13454

Please find attached the form requesting an adjustment in the terms of the above captioned loan.

Please take official board action, sign and return one copy of the request form to us by February 1, 2012. We will present the loan adjustment request to our Staff Loan Committee at its meeting to be held during February 7, 2012. Immediately following the meeting you will be informed of the action taken.

Please remember to make a copy for your files.

We look forward to hearing from you in the near future.

Sincerely,

Bridget Steen

Bridget Steen
Senior Loan Processor

bes/Encs

cc: Ham Kimsey – hamkimzay@gmail.com

cc: Jim Self – jself@newbanks.com

cc: David Griffin – dgriffin@tds.net

SPECIAL REQUEST FORM

To: Board of Church Extension
of Disciples of Christ, Inc.
Post Office Box 7030
Indianapolis, Indiana 46207

January 31, 2012

Cherry Log Christian Church, Cherry Log, Georgia, by proper action taken on January 28, 2012, by its official board authorized to so act, agrees to the terms and conditions of and requests the following recommendation in respect to its existing loans be presented to the Staff Loan Committee of Board of Church Extension:

1. The interest rate to be charged on the balance of Loan Nos. 13454 and 13479, beginning March 1, 2012, to be 4.0% (annual rate on unpaid balance).
2. Bi-weekly payments to be \$5,212.00 per payment for Loan No. 13454 and \$1,256.00 per payment for Loan No. 13479 beginning April 1, 2012.
3. The congregation is required sign up for automatic payments on both loans, which will be withdrawn bi-weekly from the congregation's Church Extension Demand Note beginning with the April 1, 2012 payment.
4. The maturity date on both loans are to be extended thirty-five (35) months, namely from February 1, 2012 to January 1, 2015. The loan interest rate adjustment dates on both loans are to be changed to February 1, 2015.
5. The congregation will provide monthly financial statements showing both general fund and capital fund receipts and expenses (*Currently available on line and Church Extension can download each month*).
6. Capital Campaign receipts will be deposited to the congregation's Church Extension Demand Account on at least a bi-weekly basis and the congregation will maintain at least a one month's payment in reserve in their Church Extension Demand Account.
7. An ongoing Estate Planning/Deferred Giving program will be developed and implemented, preferably with the assistance of Christian Church Foundation.
8. The congregation will begin aggressive marketing of the "Church on the Hill" property to reach a sales agreement and sale.
9. Semi-annual meeting with Church Extension and/or Hope Partnership staff are to be held to evaluate and counsel the congregation on Ministry Planning and review progress.

SPECIAL REQUEST FORM
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10. The loan to be considered current as of March 1, 2012 provided that the accrued interest as of February 29, 2012 is paid.

11. By December 31, 2014, a new loan will be worked out to refinance these loans at the current interest rates and terms.

APPROVED this ____ day of _____, 2012 by

(Proper Regional

Officer)

It is understood that the above recommendation is subject to final approval by the Staff Loan Committee of the Board of Church Extension on February, 2012, provided it is returned to the Church Extension office by February 1, 2012.

Senior Pastor

Moderator

Dr. David J. Griffin, Senior Pastor

W. Hamilton Kimzey, III, Moderator