

Presbyterian Investment and Loan Program (PILP) Church Mortgage Grants

It's time to repay those VERY old Church Mortgage Grants, the oldest in our Synod is from 2/1/1900. There are just over 100 such grants, held in twelve of our presbyteries, totaling approximately \$1.2 million dollars. And that's NOT including accrued interest.

So, why pay them now? PILP is offering an incentive to do so - a 35% discount on the principal, and NO INTEREST!

Case Study: ***A grant of \$7,500 made 50 years ago at 5% interest (\$375 per year interest)***

- If this church closes, or leaves the denomination, they would owe \$7,500 (principal) plus \$18,750 (Interest) – or **\$26,250**.
- If they pay the loan now, they will owe **\$4,875**.

There is an additional incentive: all funds received will be added to the Joan Fong Capital Grant program. These grants are awarded in conjunction with loans issued by the Presbyterian Investment & Loan Program (PILP) using Church Loan Program endowment funds for the purpose of construction, renovation, site purchase or building purchase. The financial condition of the borrower will be taken into consideration when awarding the grant.

Previously known as the Recycling Grant in the mid-1970s, the Joan Fong NCD Capital Grant, allows 75 percent of monies collected from the mortgage grant program to be set aside to fund up to \$10,000 for a New Church Development ("NCD") site purchase, building purchase, expansion, or renovation. The grant is awarded to borrowers of the Church Loan Program ("CLP") and helps reduce the loan amount. For a complete explanation of the Joan Fong Capital Grant, check the following article:

<https://www.presbyterianmission.org/story/pcusa-approves-changes-joan-fong-capital-grant/>

In summary: churches with mortgage grants that are not dissolving, leaving the denomination, or selling their building qualify for the discount. In other words churches that simply are pre-paying their mortgage grants are able to do so with the following discount: accrued interest eliminated; principal grant amount reduced by 35%. Judy Walton, Director of Credit Operations, is the contact for the mortgage grants. Her direct number is #502-569-5231. Please encourage your churches to take advantage of this offer!