

Confidence in Jesus Campaign

FREQUENTLY ASKED

questions

As we prepare for the beginning of our Confidence in Jesus campaign, our goal is to answer questions that surfaced during the planning study through a series of frequently asked questions bulletin inserts. You can find copies of each insert as well as additional campaign materials on our website (st-therese.org).

What is the history of the parish's debt?

In 2001 and 2002, St. Therese completed significant renovation and expansion projects that were designed to support the long-term growth of the parish and its ministries. The projects included the conversion of the old rectory to the parish office, the addition of the preschool and an expansion of the school to include new classrooms, a multipurpose room/cafeteria, middle school commons and offices for faith formation and other parish functions. The parish conducted a capital campaign and collected \$2,898,416 which covered part of the total project cost of approximately \$8 million.

In August 2002, the parish signed a loan agreement with Allied Irish Bank in the amount of \$7 million. On October 1, 2004, the parish converted the Allied Irish Bank loan into a \$5 million mortgage loan with a 6.2 percent interest rate and a 10-year term.

On September 20, 2006, the balance of the mortgage loan was \$4,748,024. The parish struggled to make its monthly principal and interest payments and in early 2007 began a capital campaign to eliminate its debt. The campaign collected \$2,060,563 and the money was used to make principal and interest payments on the mortgage loan.

The parish refinanced the loan with Catholic Finance Corporation in July 2012 with a 4.75 percent interest rate and a 20-year term. Since August 1, 2012, the parish has only been able to make monthly interest payments. The current principal balance on our mortgage loan is \$3,897,040.23.

Effective August 1, 2014, Catholic Finance Corporation agreed to accept interest only payments of \$15,425.78 per month for a one year period and has extended this offer through January 1, 2018. Beginning February 1, 2018, the parish is scheduled to make principal and interest payments of \$30,907.44 per month.

The parish's \$4,766,848 debt includes \$398,377 in back assessment payments to the Archdiocese of Saint Paul and Minneapolis. This archdiocesan debt is the result of the parish's inability (due to high mortgage debt service) to pay our annual assessments to the archdiocese from April 2009 to February 2015. In addition, the debt also includes \$318,306 for interest payments throughout the three-year campaign pledge period and \$153,125 in planning study and campaign costs.

Overall, the significant debt carried by the parish has greatly inhibited the parish's ability to grow over the last 15 years. We are extremely grateful for the ways so many parishioners have contributed to St. Therese both spiritually and financially. Since its founding in 1946, St. Therese has been a place where thousands have encountered God's love, been nourished by the Eucharist, educated in the Catholic faith, experienced community and empowered to carry the Good News of Jesus Christ to others through joy-filled service. We are confident that by eliminating the parish's debt, our parish will flourish again and be a place many call "home" for generations to come.