

NJ Synod of the ELCA
Mortgage Reduction Program
FAQs

Q1: What is a substantial amount of income allocated to paying mortgage debt?

A1: Throughout the NJ Synod there are varying levels of mortgage debt. All levels of mortgage debt will be considered if applications are received by September 30, 2026.

Q2: Is there a maximum amount that a church can apply to receive?

A2: There is no maximum amount that a church can apply to receive, however, the church would need to raise the capital funds to pay down the mortgage and the amount of those capital funds could be matched up to \$2 for every \$1 raised and paid down. The total amount granted will be in the context of total debt of a congregation, total capital to be raised by the congregation, and the volume and dollar value of requests that are received by the grant committee. The goal is to use the legacy funds to the greatest impact possible.

Q3: Is it a requirement that churches who apply have an active mortgage reduction program?

A3: Churches who apply must have at least a plan for a capital campaign over the next six to twelve months to reduce the mortgage or a current plan in progress. No monies will be paid from the grant until the congregation has completed their campaign and paid down the mortgage with proceeds from the campaign.

Q4: If churches receive regular gifts to pay down our mortgage, would those payments be applicable to this grant?

A4: No. There needs to be a formal capital campaign to reduce the mortgage.

Q5: Can you describe the overall process flow?

A5: The process flow is as follows:

1. Congregations wishing to apply for a grant must do so by September 30, 2026 by completing the application form and submitting the form with the required documents attached.
2. The grant review committee will then review all applications and make determinations on how the grant money will be allocated across applicants.
3. Congregations receiving grants will be notified by November 1, 2026.
4. Congregations will notify the synod office when they pay down their mortgage using capital campaign funds by providing documentation of such payment.
5. Once documentation is received, grant matching funds will be disbursed to the congregation for payment on the mortgage.
6. Congregation will provide documentation of grant funds paying down the mortgage to the synod office. If documentation is not received, the funds will be requested to be returned.

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Q6: There is a provision in our loan term that allows us to make a once per year lump sum payment to buy down principle on our mortgage debt without impacting the term of our loan. This allows us to reduce interest paid over the loan term and also reduce our monthly loan service payment. Would it be possible to submit the grant monies with the congregation raised monies as one lump sum as long as appropriate documentation of monies raised and lump sum payment being made?

A6: Yes, the grant review team will work with you to leverage the term in your loan most effectively.

Q7: Our congregation is contemplating a capital campaign as well as the utilization of undesignated funds to pay off mortgage and SBA loan debt under the grant program. Is this acceptable?

A7: It is acceptable since you would be running a capital campaign. **However, any utilization of undesignated funds/reserves to pay off mortgage will not count towards the amount to be matched.** Please be aware, the grant program may match up to \$2 for every \$1 paid by the congregation. It is not guaranteed \$2:\$1 as it will depend on the number of applications submitted, the total dollar values of the applications and the mission to help as many congregations as possible.

Q8: Our congregation has an existing, in- progress capital campaign. Can we use this campaign to satisfy the paydown requirement under the grant process?

A8: The grant process requires the congregation conduct a capital campaign for funds for congregational use to pay down the mortgage and which the potential grant funds will match. If there is an ongoing campaign in progress, the funds collected over the most recent twelve-month period can be used as the amount entered in the application.