

## THREE ROCHAMBEAU – The Goal

Issue One

March 2011

Andover Alliance borrowed money from Alliance Development Fund (ADF) to purchase 3 Rochambeau and do repairs to the church heating system. After paying closing costs and the down-payment, the amount borrowed was \$40,300. The monthly payment of principal and interest is \$301.22, with payments due the first of each month beginning in January 2011. The terms of the mortgage are 20 years (December 2030) at 6.55% interest.

The Governing Board set a **goal** to pay off the mortgage on 3 Rochambeau within the next 5 – 7 years. **Paying the mortgage off in 7 years (13 years early) saves nearly \$15,000 in interest.** To accomplish this, we need to pay minimum of \$350 each month on the principal.

The fact is, of the \$301.22 payments we make during the early months of the payback period, over 70% of the payment goes to interest, leaving less than 30% to pay on the principal balance.

If we pay the required monthly payment (\$301.22) **plus an additional \$350**, that eliminates 4 months of payments and **saves \$824 in interest – in just one month!**

So, every 4 weeks or so, we'll give you an update on how we're doing to reach our **goal** to pay off the mortgage in 5 to 7 years.

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**How are we PAYING THE BILLS – 3 ROCHAMBEAU ?**

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### 3 ROCHAMBEAU EXPENSES

1. Mortgage Payment
2. Taxes
3. Insurance
4. Repairs and maintenance

### 3 ROCHAMBEAU INCOME

1. Rent income (from our tenant) +
2. Pledges and earmark giving by church members

The rent income covers these expenses: taxes, insurance, repairs, maintenance, and over \$100.00 of the mortgage payment (301.22).

#### Summary :

Rent income covers about \$100.00 of the monthly mortgage payment. The \$200.00 balance is paid out of the Church Building Fund. To stay on target and pay off the mortgage within the next 5 – 7 years, the Church Building Fund needs to pay an additional \$350 per month on the principal. **In order to see our goal come to pass, the Church Building Fund's total monthly expense is \$550** (\$200 of the regular monthly payment + \$350).

**REMEMBER** – Tithe and Offering income each month pays for current ministries and expenses of the church. **PRAY** about what God would have you give above and beyond your tithe and offering to help pay down the mortgage on 3 Rochambeau.

*NEXT ISSUE: In July 2010, pledges were made in support of the purchase of 3 Rochambeau. We'll share the effect the pledges and money given designated for 3 Rochambeau has had so far on reducing the mortgage.*

**GIVING FOR 3 Rochambeau** – mark your envelope BUILDING FUND or 3 ROCHAMBEAU