

# **Pikes Peak Christian Church**

## **New Building Lending Relationship Request for Proposal**



**Prepared by:**

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&  
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## PPCC Lending Relationship RFP

### I. Church Profile

The Christian Church of Security has been in existence for over 50 years. It started out in a home with 17 people which lasted for 5 months. After that we stayed in our next home for three and half years. Finally in 1961 the church purchased the property at 626 Aspen Drive where it stayed for 40 years and continue to drive down the roots of a solid church family. After a long process of securing land and building a much bigger facility, the growing church family moved into its new home at 4955 Bradley Road in April 2001 and changed its name to The Pike Peak Christian Church. Today the church family numbers 1500+ and the future is looking bright as we implement a new strategic plan and welcome new members from the rapidly growing communities of southern Colorado Springs.

### II. RFP Overview

Pikes Peak Christian Church is seeking to identify and build a relationship with a lending vendor to partner with us as we seek to increase our seating capacity to better serve the southern Colorado community around our Bradley campus. A successful relationship will meet the current and future lending needs of Pikes Peak Christian Church and comply with the requirements and specifications set forth by our Board of Elders and contained within this request for quote. The chosen partner will help us evaluate creative solutions to address our current debt portfolio and provide the funds necessary to fund an initial construction loan and later fixed mortgage.

### III. Quote Response Format

#### A. General Format

This document is being provided in electronic copy in the form of a Microsoft Word XP/Office 2007 document. Please provide answers to all issues and questions by inserting them into this document using a **blue** font. Include three (2) printed copies and an electronic copy of your response with your quote. Please email your soft copy to [smckee@pikespeakchristian.org](mailto:smckee@pikespeakchristian.org), attach Excel spreadsheets or other documents, as well as printed literature and system documentation if you wish, but these attachments are not to be provided in lieu of the responses to this document.

#### B. Vendor Information

Please include, as part of your response, as much information as possible about the history and primary focuses of your company, a copy of your latest annual report (for publicly traded companies), financial documents, or a letterhead stating your current financial health and long term business strategy (if privately held), and a current customer list.



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### C. Alternate Solutions

If you are able to provide more than one solution or approach to the relationship, please consider detailing both options in your response.

Please send responses to:

Pikes Peak Christian Church  
4055 Bradley  
Colorado Springs, CO 80911  
ATTN: Samantha McKee

Or email to: [Smckee@pikespeakchristian.org](mailto:Smckee@pikespeakchristian.org)

### Disclaimer

This document is not a commitment to setup a relationship with a vendor and Pikes Peak Christian Church is not legally bound to start a relationship with a vendor/s at the conclusion of this process. Your participation in relationship negotiations does not signify a commitment by Pikes Peak Christian Church to continue negotiations or to start relationships. Pikes Peak Christian Church reserves the right, in its sole discretion, to terminate discussions or negotiations at any time. Pikes Peak Christian Church reserves the right to negotiate final terms and conditions with any vendor(s) of its choosing.

### IV. RFP Dates *(See number VI for more specific Info)*

Phase 1 responses are due no later than 10/30/08 by end of business.

Phase 2 responses are due 30 days after Pikes Peak Christian Church completes our annual audit and determine the results of our capital campaign that is scheduled to end shortly before Easter 2009 (April 12<sup>th</sup>).

### V. Vendor Information

#### A. Description

Describe the organization of your company, including any parent companies, subsidiaries, affiliates, and other related entities.

#### B. Divestitures/Acquisitions

Describe any organizational changes such as divestitures, acquisitions, or spin-offs that have occurred during the last two years or are scheduled in the next 12-18 months. Describe the changes anticipated in the future and the implications such changes may have on the information included in your response to this RFP.

#### C. Organizational Chart/Details

Provide an organizational chart showing the management reporting structure of your organization. Please also include detailed organizational information for the segments of your company that provide Investment, Human Resources, Insurance, Risk Management, Tax Management, or Benefits



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products and services, including information such as the names and titles of your managers and the staffing levels of key service groups that are implicated by your Response.

### **D. Product Reach**

Describe whether your products and services have a local, regional, national, or international reach. Indicate whether or not you anticipate any changes in this regard in the next year.

### **E. National Accounts (if applicable)**

Describe your National account program. Describe the additional or special benefits Pikes Peak Christian Church could derive from being classified as a National Account versus under a local VAR or business partner.

## **VI. Process Phase Definitions:**

To capitalize on the positive momentum that has resulted from the launch of our new strategic plan, PPCC has set a rather aggressive schedule that we hope will result in a grand opening weekend sometime in the middle of 2010. Since the schedule is so aggressive, and there are also several opportunities for outside factors to drastically impact our ability to meet our specific milestones. Therefore we are trying to accomplish as much as possible in parallel with the design and entitlements portions of the project plan.

To that end we have broken the lending portion of the plan into two phases as defined below. Since we are early in the process there may be some adjustments to dates and expectations as the calendar matures. For the time being, please try your best to work within these phases and we will try our best to adapt to whatever issues result as we work through the details establishing and launching of our relationship.

### **Phase 1: Initial Approvals & Proof of Relationship**

During this phase we would like to complete as much of the pre-approval process as possible so as to lock in expenses and funding expectations to the best of our ability before our capital campaign completes. In order to properly design the building and create an appropriate budget, it is absolutely critical that we understand as much of your requirements and abilities to partner with us as early in the process as possible. Please note in your proposal how far you think we will be able to go in your process and a preliminary funding expectation before the final numbers are in from the capital campaign in early April 2009.

### **Phase 2: Relationship Launch & Loan Closing**

Once our capital campaign completes we will finish the process of determining the parameters of the construction loan and final fixed mortgage, complete the closing process, and begin the dis-imbursement process. Please include in your proposal a



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rough schedule of how you would need this process to proceed and the expectations that you have for our participation and the required deliverables. It will be critical, due to the time of year and our need to stay on schedule, that we understand the entire process and time frames involved for launching the loan and setting up the maintenance procedures going forward.

### **VII. General Objectives**

The chosen solution will deliver:

1. During the next 12-18 months Pikes Peak Christian Church will need access to the following lending services:
  - a. Consolidate an existing commercial loan into a new product
  - b. Create a new commercial building loan with controlled disbursements that provide access to up to \$3m in total funds over the next 2-3 years.

### **VIII. General Lending Services Required:**

The chosen solution will deliver:

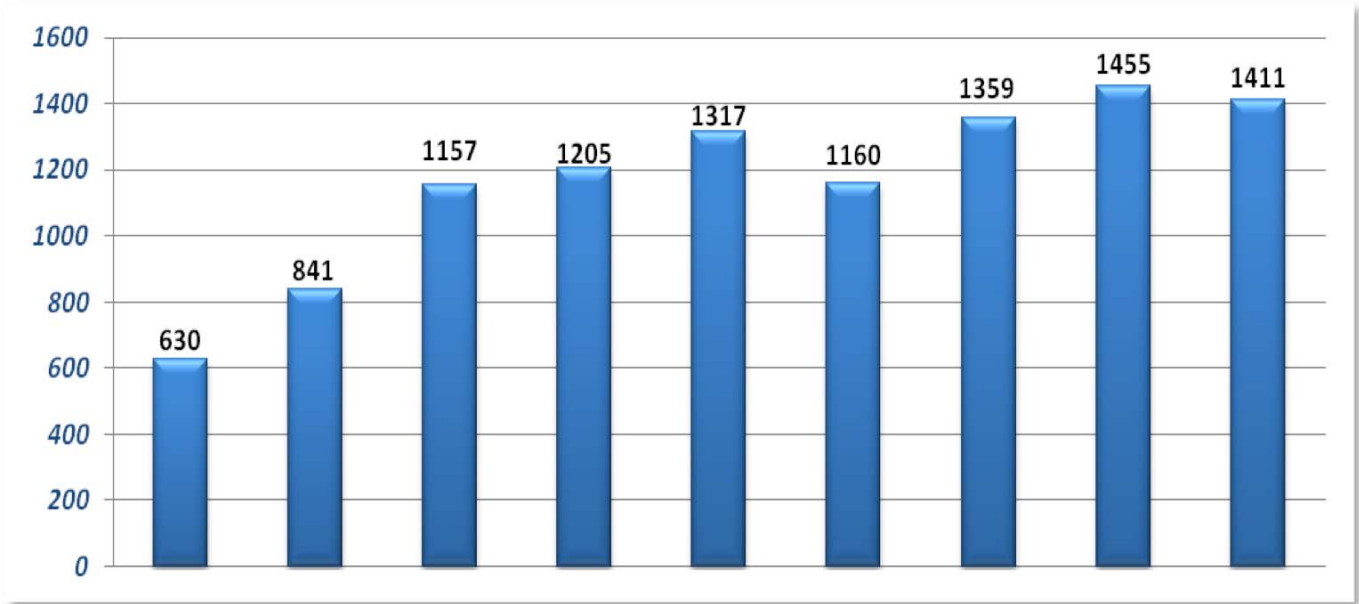
- Commercial/construction loan services
- ACH & Electronic payment options
- Online Internet reconciliation and reporting
- Controlled disbursements accounts
- Bridge and consolation products
- Creative refinancing solutions



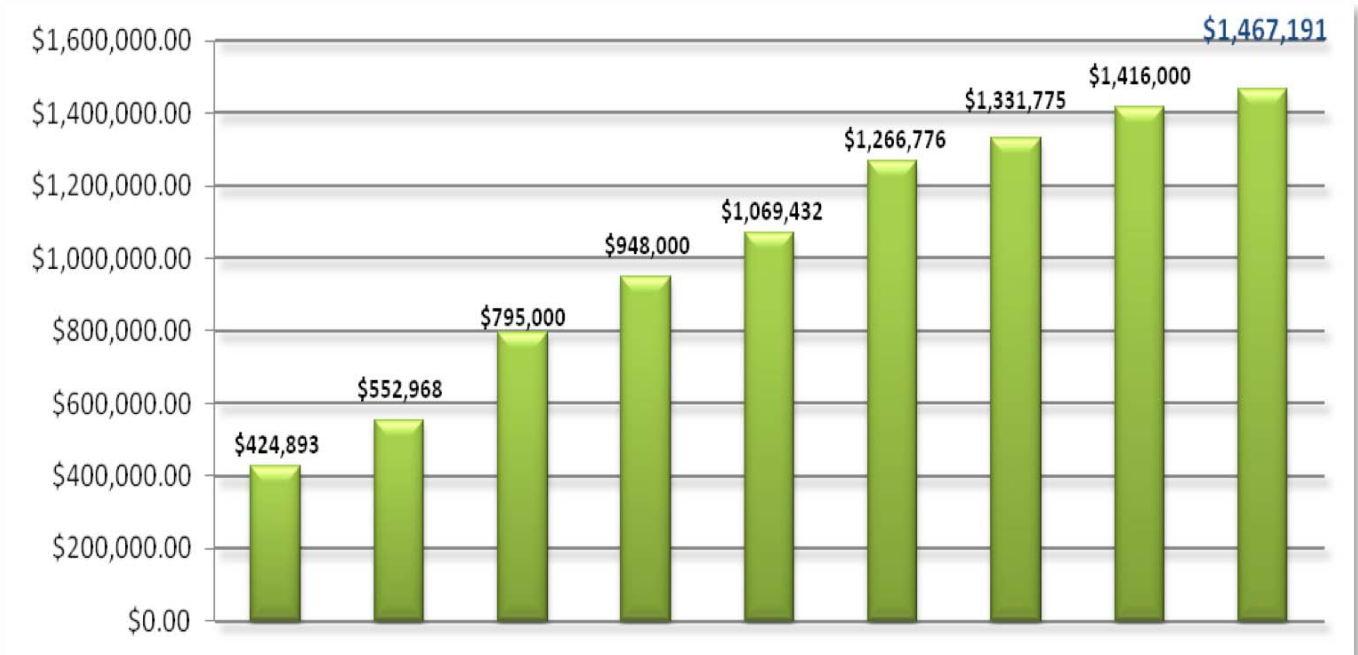
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## IX. Church Health & Pertinent Data

### Attendance statistics since 2000:



### Giving trends since 2000





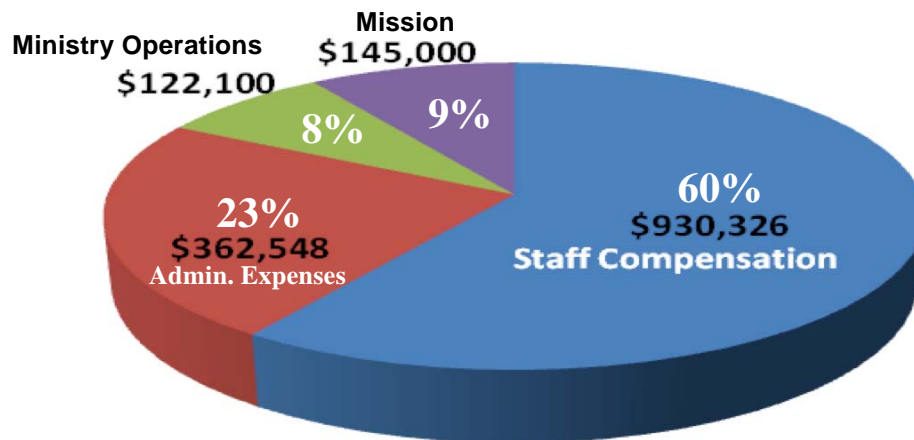
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### Financial Reports:

- See attached documents for current financial statements

### Fiscal '08-'09 Budget Allocations and Specifics:

- Total Fiscal Budget = \$1,595,831
- Weekly Offering = \$30,389, 7% increase over Fiscal '07-'08
- Budget Allocations:
  - Fixed Expenses (Including Existing Mortgage) = \$268,398
  - Fixed Administrative Costs = \$239,150
  - Total Staff Compensation (29 FT & PT Staff) = \$930,326
  - Ministry Operations = \$122,100



### Current Mortgage Specifics:

- Current Lender is Church Development Fund
- 15 Year Mortgage
  - Mortgage Start = 6/1/2002
  - Original Mortgage End Date = 5/1/2017
  - Interest Rate 7.25%
  - Monthly Payment Amount = \$19,033.19
  - Origination Amount = \$2,085,000
- Pre-Payment amounts made as of 8/25/08 = \$308,551
- New mortgage end date because of pre-payments = 8/1/2014
- Pre-payments in 2008 through weekly offering = \$30,741.76
- Current balance as of 10/1/08 = \$1,079,988



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### **X. Current Environment**

The churches current checking and savings account structure is:

1. Primary Checking Account Detail: ENT Operating Checking
  - a. Account Purpose = Account for processing A/P, Pay-roll, etc.
  - b. Approximate Balance = \$25,642.83
  - c. Minimum Balance = \$15k
  - d. Average Monthly Balance = \$25k
  - e. Interest Paid = 1.0%
  - f. Approximate Number of Checks Written Monthly = 150
  
2. Sub Checking Account #1Detail: (Construction)
  - a. Account Purpose = Unused account for future construction projects
  - b. Approximate Balance = \$100
  - c. Average Monthly Balance = \$100
  - d. Interest Paid = 1.0%
  - e. Approximate Number of Checks Written Monthly = 0
  
3. Sub Checking Account #2 Detail: ENT HRA checking
  - a. Account Purpose = Processing account for staff health re-imbursements
  - b. Approximate Balance = \$0.00
  - c. Average Monthly Balance = \$0.00
  - d. Interest Paid = 1.0%
  - e. Approximate Number of Checks Written Monthly = 15



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4. Primary Savings Account Detail: Savings Account #1
  - a. Account Purpose = Internal line of credit to manage cash flow
  - b. Approximate Balance = \$26,494
  - c. Interest Paid = 4.0%
  - d. Approximate Number of Withdrawals Monthly = 1
  
5. Primary Investment Detail: Restricted Building Fund
  - a. Type of Investment = Negotiated Certificate of Deposit
  - b. Approximate Balance = \$ 322,325
  - c. Original Duration of Investment = 1 year, Matures Jan. 2009
  - d. Monthly Deposits = none usually
  - e. Additional Pre-Payments Made Yearly = none
  - f. Interest Rate Paid = 4.77%
  - g. Additional Fees Being Paid = \$0
  
6. Sub Investment #1 Detail:
  - a. Type of Investment = Certificate of Deposit
  - b. Approximate Balance = \$75,961.06
  - c. Original Duration of Investment = 4 Month
  - d. Monthly Deposit = none usually
  - e. Additional Pre-Payments Made Monthly = \$0
  - f. Interest Rate Paid = 4.7%
  - g. Additional Fees Being Paid = \$0



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### XI. Basic Informational Questions:

1. What is your IGR (Investment Grade Rating)?
2. What is your Debt Service Coverage Ratio?
3. Describe your current commercial lending products:
  - a. How do you calculate the Loan-to-Value ratio for potential loans?
  - b. What is the typical time frame for underwriting to complete?
  - c. What are the attributes of your construction loans?
    - i. Duration options
    - ii. Flexibility of your dis-imburement schedule
    - iii. Are there escrow requirements?
    - iv. Describe the process, time frames, and potential issues with the roll-over of the construction loan into a permanent loan.
  - d. What are the current points required?
  - e. What are the current interest rates available?
    - i. What will determine the rate available to the church?
    - ii. What is the schedule for locking the rate?
      1. What has been the lenders experience with the average fluctuations in the interest rates available?
  - f. What are the amortization periods?
    - i. What will be the available time frames?
  - g. What are the refinance options available?
    - i. Minimum time frame before the loan can be refinanced?
    - ii. Projected costs to refinance the loan?
  - h. Are there adjustable rate options?
    - i. What are the adjustment intervals?
    - ii. Are there options to lock in the cap of the loan?
4. What are the qualifications of a successful loan applicant?
  - a. What are your requirements for an appraisal firm?
  - b. Do you require a comparative market analysis?
  - c. Do you require an environmental analysis for commercial properties?
  - d. What financial information do you require?
5. Are your loans assumable? Under what conditions?
6. Do you have an "Acceleration Clause" and what are the implementation rules?
7. What collateral is required to secure the loan?
8. Can we prepay the loan?
  - a. Is there a specific Lock Out period?
  - b. Is there a set percentage per month/year that can be pre-paid?
  - c. Is there a maximum amount that can be prepaid?
  - d. Is there a set point in the maturity of the loan where pre-payment is permitted or not?
9. What is your policy and record for selling the mortgages within your portfolio?
10. What are your foreclosure rules and guidelines?



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11. Please discuss your closing process and expected costs:
  - a. Schedule of events from start to finish
  - b. Needed documents
  - c. Expected costs
    - i. Please list the loan origination fees, their purpose, and amount
  - d. Expected attendees
  
12. With the current credit market in a troubled state, please answer the following questions:
  - a. Has the bank/lender invested in sub-prime loans or invested in securities that are backed by them?
  - b. If yes, what is your plan for reducing risk to your members from loans negatively impacting your customer base overall?
  - c. What has been the impact of low loan delinquency and charge-offs on the quality of your assets?
  - d. Who insures your deposits and what are you doing to reduce risk to your members beyond the protection provided by the Federal Government?
  - e. Do you use Asset Liability Management (ALM) simulations and how many interest rate scenarios do they use?
  - f. What is your current capital ratio?
  - g. What is the average return on money market accounts and 3,6,12 month CDs
  - h. What is your current capital adequacy rating with the regulators?
  
13. Do you have a loan option for future projects that:
  - a. Is pre-approved and closed with the original construction loan
  - b. Is available for up to 5 years
  - c. Is enough to cover our next project or at least \$5m
  - d. Has no cost to us to reserve the funds.
  - e. Is locked in at the present interest rate



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### XII. Basic Services Pricing:

- Commercial loan services
  - Mortgage types available =
  - Payment options =
  - Interest rate charged =
  - Fees charged =
  - Penalty parameters =
- ACH & Electronic transfer between accounts and PPCC
  - Account types applicable for =
  - Minimum transfer requirements =
  - Interest rate charged =
  - Fee/s charged =
  - Penalty parameters =
- Online internet reconciliation and reporting
  - Access to types of accounts available =
  - Reporting options =
  - Fee/s charged for service=
  - User security parameters =
- Controlled disbursements accounts
  - Account types available =
  - Minimum account balance requirement =
  - Interest rate paid =
  - Fees charged =
  - Penalty parameters =
- Security policies
  - Describe security parameters and policies



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### **XIII. Confidentiality**

The bidding vendors shall treat all information provided about Pikes Peak Christian Church as part of this RFP process, both oral or written, that would not be otherwise obtainable through public sources, as confidential. This includes, but is not limited to, balances, current business operations, and future business plans. This information is provided solely for the purpose of enabling the vendors to prepare their responses to this RFP, and may not be used for any other purpose. Your acceptance of this RFP will indicate your acceptance of this clause.

Likewise, Pikes Peak Christian Church will keep all pricing information and any other information which you identify as proprietary or confidential in the strictest of confidence, and will not share such information with any other vendor