



## *FLYING BLIND*

By Mission Management and Consultants, LLC  
Mortgage Bankers & National Church Finance Specialists

I have a question for you, if you found out that you needed heart surgery would you do it yourself or go to a general practice physician? Would you let an emergency room worker or some one you know do the surgery? We would hope not as most everyone we know would go to the very best heart specialist and surgeon available. Someone with a good track record and a specialist with vast experience.

We hear it all the time- we can design a Church, we can construct a Church. We have a banker on the committee that is heading up the finance, we have someone in the Church that can save us money with this or that .....

True story: We had a client with a \$5 million project that chose to manage the construction side with an in-house experienced Construction Manager thinking that the church would save the construction profit margin. It sounds right doesn't it? On a large project, that "savings" could represent some large dollars. Starting out from a budget standpoint, the project they wanted to build was tight as the church was at the max of what it could afford. As we structured the finance side, one of the hurdles we had to overcome was proving that the church had the ability to complete the project. After the loan commitment was issued, the Church went out to get bids. Not having relationships with good sub-contractors and suppliers, the bids came in well over budget so the Church had to go back to their Architect and value engineer resulting in downsizing the project. Now six months later, the project has not broken ground, the Church has incurred increased design costs, increased interest rates on the financing and increased building costs. End result: If the Church had brought in the Church Pros, their project would have been almost completed by now at or under budget. They are now forced to build less building and to lower the project by a minimum of \$500,000 (10-12%). This is not of example of being good stewards of God's money and we see this type of thing happening everyday. "Penny wise or pound foolish?" This is a good example of being "pound foolish".

When it comes to building a new Church facility, hire the professionals who understand and specialize in Churches. Not only do you get their expertise and talents but you also get their time tested relationships.

From the Church Design side, use only the Architects and Design Professionals that will work within the budget to create a design and environment based on the vision and the needs of the Church. Church design requires a special talent that is only acquired through experience. Construction firms need to have Church expertise to make the design become a reality. Having a good working relationship with the Design team is a must. But before you hire the Architects and Design Professionals or Construction firm, hire the Church Finance Specialist first. Why? The church needs to know how much money it can qualify for before money is spent on plans it may not be able to use later. Many lenders do not have an understanding of Church Finance and nothing replaces experience and expertise. Even if the lenders understand churches, lenders do not represent the church; they represent their corporation, the stockholders. Church finance is a specialty and a science. Having an experienced Mortgage Banker that understands how to structure the request will result in much better rates, terms and conditions. Finally, when it comes to Church Stewardship, as mortgage bankers we see the results of many building campaigns. The most successful capital (building) campaigns are usually administered and managed by a Stewardship Professional, not managed internally by the church. In order to be good stewards of God's money, the Church has one chance to get it right and it shouldn't have to pay for on the job training for it's Professionals. Finance, design, construction, stewardship - the church doing it itself is truly flying blind. Be *penny wise* not *pound foolish*.....

*For Heaven's sake... let the Church Pros do it as they will save you time & money!*

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About Mission Management and Consultants, LLC:

MMC - Mortgage Bankers is one of the Leading Church Finance Mortgage Firms in America. MMC is an experienced team of Bankers and Professionals, called to the ministry of obtaining financing for Christian organizations. For more information, please visit our website at [www.mmcbankers.com](http://www.mmcbankers.com)