

# Generations Financial Resources, Inc.

## Frequently-Asked Questions for MFVI Participants

**Q: What is Generations Financial Resources, Inc., and why was it established?**

**A:** Generations Financial Resources, Inc. (GFR), is a specialty lending corporation and a controlled affiliate of the Pension Boards that utilizes a unique approach to address the crushing burden of clergy indebtedness. In 2018, the Pension Boards commissioned an extensive study to gain deeper insight into the scope of the debt burden among United Church of Christ (UCC) clergy. The study showed that 3,900 of UCC's 7,000 active ministers graduated from college with original debt totaling more than \$25.5 million; and 1,500 UCC ministers were paying off student loans three times higher than the national average.

**Q: What is GFR's approach to improving financial wellness for UCC ministers?**

**A:** GFR's unique approach to addressing the widespread debt burden of UCC ministers includes:

- **Education:** We leverage the educational component of the Ministers' Financial Vitality Initiative (MFVI) program to provide personal finance education to empower ministers in managing their financial affairs.
- **Low Interest Loans:** Upon successful completion of the educational component of MFVI, participants become eligible to apply for a low interest loan which will be used to pay down higher interest education-related debt. A lower interest rate reduces the monthly debt payment burden.

**Q: How does GFR differ from mainstream lending corporations?**

**A:** GFR differs from mainstream lending corporation in the following ways:

- **Pay-it-Forward:** As participants pay back their low interest loans, the principal repaid is made available for lending to future borrowers.
- **Values:** As a non-profit organization supported by the resources of the Pension Boards, GFR is focused on helping participants achieve greater financial security. Mainstream lenders are focused on maximizing corporate profits.
- **Understanding:** GFR engages with prospective participants to understand their unique financial needs. Each participant develops a tailored debt management plan before moving forward with loan application.



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**Q: Who is eligible to apply for a loan through GFR?**

**A:** To be eligible to apply for a GFR loan, you must meet the following criteria:

- Ordained UCC minister
- Currently employed with a UCC church, Conference, Association, or other related entity
- Must not have any overdue payments on current loans\*
- Must complete at least one year of MFVI (i.e., personal finance material and establishing a relationship with an Ernst & Young (EY) planner, at no cost to you.)

*\*Participants with overdue payments on current loans may inquire for information purposes only.*

**Q: Will I need to have a high credit score?**

**A:** While credit scores are one of many factors that GFR can consider in the lending decision, it is by no means the primary factor. There are various other factors considered in the lending process. GFR understands that financial challenges are unique to every borrower, so participants satisfying the eligibility requirements above are welcome to inquire and apply.

**Q: What are some of the loan features?**

**A:** The loan program is designed to be simple and transparent. General loan features include:

- Loans may range from \$5,000 up to \$15,000 at a 4% fixed rate
- Flexible repayment periods may range from 5 to 10 years
- No closing or application costs
- 10-day grace extension for late payments
- No prepayment penalties
- Additional lending is possible after one year of timely payments (subject to financial review)

**Q: If I am approved for a loan, how will I receive my funds and make payments?**

**A:** GFR maintains electronic operations to keep costs low and to enable rapid transactions. Deposits and payments are transacted via electronic ACH (Automated Clearing House) to and from the borrower's bank account.

**Example:** GFR receives signed loan forms from a participant on January 25. The loan is deposited into the participant's bank account on February 1. A monthly loan payment is automatically debited from the participant's bank account on March 1, and on the first day of each month thereafter.

**Q: What if I decide to pay off my GFR loan earlier than expected?**

**A:** There is no penalty for early payment of your outstanding balance. Simply notify GFR of your readiness to pay the balance and GFR will debit your account accordingly. You will then receive a final pay-off statement.

**Q: Who can I contact for more information?**

**A:** For more information, please contact Randy Garrett, Senior Finance Manager at [info@genserv.org](mailto:info@genserv.org).