



September 27, 2002 - Statement of David W. Smith, Chancellor, Archdiocese of Boston

Today the Archdiocese of Boston reached agreement with the Knights of Columbus on a mortgage loan that will replace and supplement the previous line of credit with Fleet Bank. This loan is part of the Knights of Columbus Church Loan Program. That program makes funds available, on a secured basis, to assist the Church in fulfilling her mission.

The initial advance of \$12.5 million will retire the \$9 million currently outstanding under the Fleet Bank line of credit, enable the Archdiocese to provide interim financing to Catholic Charities to complete the new Shaughnessy Family Center at Laboure and provide funds to continue the many pastoral, educational and social service endeavors in which the Archdiocese of Boston engages to fulfill the mission of the Church.

The agreement provides for additional advances, as needed, over a three-year period in amounts not to exceed \$25.45 million, which, in combination with the initial advance, is 75 percent of the appraised value of the 16 acre Chancery grounds. All advances will be repaid over a 20 year period from the date of the initial advance. It is anticipated that any additional advances will be used to fund the ongoing works of the Archdiocese.

A number of factors have converged in recent months to make even more daunting the always challenging task of raising the necessary money to fund the Church's mission of care and compassion. Our ability to raise money in the short term continues to be impacted adversely by the realities of the volatile stock market and the uncertain economy. Although the Archdiocesan "Promise for Tomorrow Campaign" continues to enjoy impressive results, its revised implementation means that the day-to-day giving of many generous and faithful donors is already stretched. Moreover, it is clear that some people who have supported the Church's work in past years are withholding, at least temporarily, their support financially due to their feelings regarding the terrible scandal of sexual abuse of the young by clergy.

Nevertheless, we are grateful to all those members of the faithful who continue to support the mission of the Church here in the Archdiocese of Boston through their prayers, work and contributions.

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