



Synod of the Pacific

PO Box 964 Petaluma, CA 94952-0964
707-765-1772 ext. 110 Fax: 707-765-4467

TO: Churches, Presbyteries, Specialized Ministries, and/or Ecumenical Partners in the Synod of the Pacific

RE: SYNOD'S INVESTMENT SERVICE

DATE: January 8, 2026

The Synod Investment Service welcomes all deposits, which, effective January 1, 2026, have returned 2.75% on Custodial (demand) deposits, with a minimum of \$1,000 to open. Once a custodial deposit is established, it can be drawn down to a minimum of \$1.00, but then may be closed. A 6-month Mission Development Certificate (MDC), returns 3.25%, a 1-year MDC at 3.50%, a 2-year MDC at 3.25%, and a 3-year MDC at 3.00%, all MDC purchases requiring a minimum of \$1,000 to open. Once a Mission Development Certificate is purchased, you cannot add to it, and under no circumstances, it cannot be redeemed (accrued interest or principal), during the term of the certificate. Should you begin the purchase of an MDC, we would suggest that you also open a demand account that can be used in case of an emergency.

Overview of Services

Established in 1989 with initial deposits to the Investment (demand) service of fewer than 2 million dollars, the Synod Demand Account currently has on deposit 16.5 million dollars, and the Synod Mission Development certificates of deposit, begun in December 2002, has over 8 million dollars, totaling over 23 million dollars today. This service is open to any church, presbytery, specialized ministry, or ecumenical partner related to the Presbyterian Church (U.S.A.) within the bounds of the Synod of the Pacific. The Synod's \$5 million line of credit with Umpqua Bank ensures continual liquidity to all Synod Investment depositors.

Advantages to Depositors

Depositors receive a high rate of return on short-term investments. Depositors are spared the inconvenience of shopping around for the best rates or transferring funds among various commercial institutions to secure the best rates.

Demand depositors may make an immediate withdrawal, without penalty, at any time

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during regular business hours. There is no maturity date; funds are always available. Mission Development depositors have a maturity date due to the term of the certificate.

Depositors participate in the Synod's mission service by underwriting its Amortized/Line Loan Service, which supports new church/church construction, refinancing, and/or renovation, as well as equity, green and insurance loans, and other programs and special needs of churches, presbyteries, and agencies across the Synod.

Advantages to the Synod

1. The Synod Investment Service funds the Synod Amortized/Line Loan Service, allowing the Synod to reduce expensive borrowing from commercial banking institutions.
2. The Synod supports ministry among its eleven presbyteries using the difference in its cost of funds (interest rates) between investment deposits and line/amortized loans.

Policies and Procedures

1. The Synod will accept deposits to its post office box or through ACH from Presbyterian Church (U.S.A.) congregations, presbyteries, and specialized ministries within its bounds, and related organizations and ecumenical ministries in which the Synod or any of its presbyteries are partners. The Synod cannot accept third-party checks, and regulatory requirements prohibit the Synod from accepting deposits from individuals at this time.
2. The Synod's capacity to accept deposits are limited by its portfolio of outstanding Amortized/Line church loans.
3. The initial minimum for custodial/demand deposits is \$1,000.00. Deposits or withdrawals in any amount are acceptable after the initial deposit. Although it is not necessary to maintain the \$1,000.00 balance, the Synod reserves the right to return funds in an account that falls below \$1.00.
4. The minimum for Mission Development certificates of deposits is \$1,000. **IMPORTANT NOTE: These Mission Development Certificates are not redeemable (earned interest or principal), under any circumstances during the term of the note.**
5. The Synod pays interest using an annual percentage rate calculated daily (360 days), based on Synod's cost of funds between its investment and loan services.
6. Investors receive a monthly statement, based on the calendar year, on all their accounts showing all activity for each account.

Frequently Asked Questions

Are the services federally insured?

There is no federal insurance on any accounts for the Investment Service, as these funds are not invested in the market. The Synod uses its deposits to fund the Synod Line/Amortized Loan Service or reduce commercial bank loans. Since the inception of the investment service, the Synod has never lost an investor's dollar through its Loan Service.

How does a depositor invest?

1. For any NEW Demand or Mission Development Certificates, complete an application first, accompanied by a check made payable to Synod of the Pacific, and mailed to our Petaluma post office box. If you request a transfer from a current

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Synod account or you may wish to ach/wire the funds to the Synod, you may email the application to the Investment Coordinator. Once your new investment is opened, the Coordinator will send a statement or a certificate of purchase to you.

2. Complete an authorizing letter listing the names, telephone contact numbers, and email addresses of at least three persons authorized to draw on all your accounts (or for each account, where the authorizing persons are different.) Further, a depositor may place any restrictions on withdrawals – simply state these restrictions in the same authorizing letter, and they will be honored.

3. If it is not a new deposit, make your check payable to Synod of the Pacific, and indicate on the memo line, the investment number and/or name of the account to where the funds should be deposited.

4. The Synod receives all checks, other than third-party checks, to:

Synod of the Pacific
ATT: Custodial or Investment Deposits*
P.O. Box 964
Petaluma, CA 94953-0964

(*Important* there are five departments at this post office box – Benefits, Custodial/Investments, General Fund, Loans, and Mission Treasury)

5. If a depositor is uncomfortable mailing a large deposit, it can be electronically transferred. Please call the coordinator for ach instructions. A depositor must advise the coordinator of the date and amount an ach/wire is to be deposited to Synod's account. **THIS IS THE PREFERRED METHOD.**

Can a depositor open multiple accounts to segregate its various funds?

Yes. The \$1,000.00 initial minimum deposit applies to each investment account. An Investment Number will be assigned when purchased. Monthly statements, based on the calendar year, are mailed for each investment the Synod holds on a depositor's behalf, showing all account activity from the beginning of the year, and the interest rate as it changes during the year. Interest earned at month-end and not withdrawn is added to the account and draws interest itself in subsequent periods.

How is the interest rate set?

The Synod uses a 'cost of funds' policy, maintaining at least a 3.00% spread between investments and loans. This spread is needed to cover Synod's overhead costs and provide net revenue. The spread needs to be closer to 2.0% when it is consistently borrowing on its line of credit.

When the Synod recommends a rate change, through its Mission Finance Committee, all eligible depositors are notified.

How often does the interest rate change?

Synod's rate change has varied from year to year, as determined by the Synod Mission Finance Committee. Following is the eight-year rate experience on only the Investment and Synod Line/Amortized loans:

Date	(Prime Rate)	Demand Fund	6 Mo MDC	1-Yr MDC	2-Yr MDC	3-Yr MDC	Line of Credit	Amortized Loans
March 1, 2011	3.250%	3.000%	3.500%	3.750%	3.950%	4.150%	6.500%-5.750%	6.250%-5.500%
August 1, 2011	3.250%	2.750%	3.250%	3.500%	3.700%	3.900%	6.250%-5.500%	6.000%-5.250%
March 1, 2012	3.250%	2.250%						
April 1, 2012		2.750%	3.000%	3.200%	3.400%		6.125%-5.365%	5.875%-5.125%
June 1, 2012	3.250%	1.250%	1.750%	2.000%	2.200%	2.400%	5.625%-4.875%	5.375%-4.625%
September 1, 2014	"	"	"	"	"	"	"	"
June 1, 2018	2.500%	1.200%	1.700%	1.950%	2.150%	2.350%	5.750%-5.000%	5.500%-3.750%
January 1, 2021	2.500%	1.000%	1.500%	1.750%	2.150%	2.350%	5.750%-5.000%	5.500%-3.750%
September 1, 2023		1.250%	1.750%	2.100%	2.900%	3.100%	5.750%-5.00%	5.500%-3.750%
October 5, 2023	1.250%	1.750%	2.100%	2.900%	3.100%		5.750%-5.000%	5.500%-4.250%
March 1, 2024	4.000%	1.750%	2.100%	2.900%	3.100%	5.750%		5.500%-4.250%
April 1, 2024	4.000%	3.000%	3.500%	2.900%	3.100%	6.750%		6.500%-5.250%
January 1, 2025	3.750%	3.250%	3.500%	3.250%	3.000%	6.750%		6.500%-5.250%
March 1, 2025	3.500%	3.500%	3.500%	3.250%	3.000%	6.750%		6.500%-5.250%
June 1, 2025	3.250%	3.500%	3.500%	3.250%	3.000%	6.750%		6.500%-5.250%
October 1, 2025	3.000%	3.500%	3.500%	3.250%	3.000%	6.750%		6.500%-5.250%
January 1, 2026	2.750%	3.250%	3.500%	3.250%	3.000%	6.750%		6.500%-5.250%

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How and when can a depositor draw on its investment account(s)?

For demand (custodial) accounts only, a depositor may withdraw any amount as often as it wishes or all its funds at any time, without penalty. For Mission Development Certificates, a request can be made at the maturity date only.

All draws are required by two people with their code, one to request and one to confirm. The most expeditious way to request is, to email the coordinator, carboning the other persons authorized to draw, stating your name, your church, the amount of the draw, the investment number from which to draw, and advise in that email that at least one of the authorized persons will respond with their and indicate that he/she confirms the first person's request to draw. Please do NOT reply to all with your codes. Your code is just that and cannot be shared with others. The coordinator will then respond to everyone and advise when the draw will be processed. You may also call by phone with two authorized persons (together or separately) can call our 707-765-1772 ext.110 ask or leave a message for the coordinator with the same information outlined in the email. We also welcome faxes to 707-765-4467 or scan a letter, which is usually done if a church restricts requests by signature only. Further, depositors can also request electronically, but it must be in writing (auditors' requirement), indicating the name of the bank, ABA wire number (this routing number is not always the same as appears on your checks), the account number, and the account name. A church may also send a letter by snail mail; however, it is not timely and is the least desirable way to draw funds.

Contact the Coordinator for recurring monthly or quarterly checks payable to the church, transfers between accounts, and scheduling monthly loan payments - again these requests must be in writing.

How does the depositor receive its funds?

1. Normally the Synod issues an ACH. Please allow 1-2 business days for the transmittal of the funds.
2. Funds can be sent as a check as well. All checks will be payable to and mailed to the depositor's address.

If a church has a Synod loan, can it still deposit to the Synod Investment Services?

Yes. The Loan Service and the Synod Investment Service are separate funds. A church can have both or one without the other.

If a church has a Synod loan and an investment account, the Synod would be happy to work with the church to set up a debt-reduction demand account to pay the loan (through a monthly recurring journal entry). This would ensure timely payments on the loan and save the church time in writing a check and mailing it to the post office box. (A church could have a net reduction in the loan interest, due to earned interest on your debt reduction demand account).

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What is new?

1. You are now able to access loans and or investment statements online. Ask the coordinator or check our website for the [Online Access Request form](#).
2. The Synod can now receive monthly payments from your bank account for regular or monthly debits or credits to your investments and or loans. Again, ask the coordinator or check our website for the [ACH Recurring Payment Authorization Form](#).

Should you have further questions, need clarification, or wish personal contact, please contact Danielle McCarthy, Investment and Loan Coordinator, at our number: 707-765-1772 ext. 110, or by e-mail at danielle@synodpacific.org

You may also review the Synod website: www.synodpacific.org for these Investment Guidelines, the MDC Offering Circular, a Demand and/or MDC Application form, the Authorizing Letterform, an Access online form, and an ACH Recurring Payment Authorization Form.

Meanwhile, celebrate with us that your funds in the Synod Investment and Loan Service are a good value for you, and for those churches/agencies, which put those investments to work. If you have funds available, the Synod will put them to good use!