

LOAN APPLICATION

CONGREGATIONAL LOAN COMMITTEE

California-Pacific Annual Conference of the United Methodist Church
P.O. Box 6006 110 So. Euclid Avenue Pasadena, CA 91102-6006
(800) 244-8622 (626) 568-7363 (FAX) 626-796-7297

We, the undersigned, Trustees of _____ United Methodist Church
at the mailing address of _____ (city, state, zip) and actual physical
address of _____, County of _____,
State of _____, and being in the _____ District of the California-Pacific
Annual Conference, being duly authorized by the Church or Charge Conference, hereby apply for a Loan in the amount of
\$ _____ for the purpose of _____

I. GENERAL INFORMATION

Year Church was organized _____ Average attendance at worship _____
Present membership _____ Church school enrollment _____
Number of contributing families _____ Average church school attendance _____
Is church incorporated: Yes _____ No _____ Year? _____
Has your congregation established a separate foundation? Yes _____ No _____
Exact Corporate Name _____
Does church have open membership as required by the Book of Discipline? (Para. 214) Yes _____ No _____
The primary ethnic constituency of our church is:
_____ White; _____ Black; _____ Hispanic; _____ Asian; _____ Native American; _____ Pacific Islander;
_____ Other (specify). _____

II. PROJECT FOR WHICH FINANCING IS REQUIRED

Estimated _____ or actual _____ cost (check one) \$ _____

Note funds which apply to above cost:

cash already spent on project \$ _____
cash on hand \$ _____
pledges to be collected by end of construction \$ _____
grants from _____ Conf -Dist - other?) .. \$ _____
local bank loan \$ _____
requested amount of this loan. \$ _____
other \$ _____
loan request of UMDf or National Division \$ _____

TOTAL TO APPLY TO COST \$ _____

Contact Person: _____

Phone #: _____

Full Address: _____

OFFICE USE ONLY:

Date application received _____
Add to CLC Agenda Mtg scheduled for _____
Cabinet Approval? _____ Date Notified of Approval _____

Application complete? _____ Items still needed: _____

III. FINANCIAL INFORMATION

Please attach : (1) a copy of your current budget with expenditures to date,
 (2) a copy of your audited year-end financial report (including budget) for two full years prior, and
 (3) a budget for the upcoming year as available.

Is your budgeting process on a _____ calendar year or _____ fiscal year ? (check one)

<u>Program and Current Expenses</u>	<u>Property</u>
Pastor(s) salary & expense	Value
Apportionments	Indebtedness?
Church School expense	Church Site Location
Administrative Expenses	Building construction
Program expense	Parsonage
other	New Site
Total	Rental Property
	Total

Were apportionments paid in full last year? ____ Yes ____ No [The payment of apportionments will be taken into consideration.]

Current property value per insurance coverage \$ _____ Estimate value of property when construction is complete \$ _____ Total

Existing Indebtedness on property is \$ _____ as of _____; monthly payments total \$ _____

For all PROPERTY debts included in above list:

Debt owed to:	Current Balance	Terms of repayment/due date	Annual repayment amount

Will annual debt payments (including current loan request) total more than 25% of your total congregational expenses? ____ Yes ____ No

IV. REPAYMENT PLANS

- Our church has secured _____ pledges totaling \$ _____ for period beginning _____ and ending _____ for repayment of this loan.
 - Our church will conduct a Capital Funds Drive to be held on _____ with a goal of \$ _____ for repayment of this loan.
 - Our church budget, totaling \$ _____ is considered adequate to meet principal and interest payments on our anticipated total debt.
- Is/will there be a separate account maintained for Debt Retirement or Building Fund? ____ Yes ____ No
- What are your plans to manage the monthly loan payments beyond the period of pledges?
- Should this loan be approved, we would anticipate drawing on these funds beginning _____ (month) _____ (year).

V. CERTIFICATE OF CHURCH CONFERENCE, TRUSTEES AND CORPORATION

This certifies, that the Board of Trustees of _____ United Methodists Church, in the bounds of the California-Pacific Annual Conference, on the ____ day of _____ 20 ____ adopted and found to be included upon its minutes direction to explore the possibilities for borrowing funds in the approximate amount of \$ _____ for the purposes of _____

and to secure the repayment of the same by the execution of a Note, Deed of Trust upon the property, upon such terms and conditions as may be agreed upon between said Trustees or officers and said Annual Conference. We understand that actual execution of such a legal and bonding agreement will require action by manner of a duly called Charge Conference.

Given under my hand this _____ day of _____ 20 ____.

Signed _____
 SECRETARY OF TRUSTEES

Signed _____
 TRUSTEE CHAIRPERSON

VI. SIGNATURES OF TRUSTEES (All Trustees Must Sign)

At a meeting of the Board of Trustees on the _____ day of _____ 20____ the foregoing application having been carefully prepared and read, and believing the work to be necessary and pledging ourselves to earnest effort and liberal support of the undertaking, we request a loan in the amount of \$ _____ and certify to the accuracy of the statements herein contained.

_____	_____	_____
_____	_____	_____
_____	_____	_____

VII. CERTIFICATION BY PASTOR

I hereby certify that I have examined the statement given in this application for accuracy. I recommend a loan be granted in the amount indicated below.

Print Name: _____

Signature: _____

Phone/Email: _____

Loan Amount: \$ _____

VIII. DISTRICT BOARD OF CHURCH LOCATION AND BUILDING

This District Board of Church Location and Building has reviewed the plans for this project, and the Covenant for Vital Ministry (written strategy) and approved their plan for financing to include this loan application of \$ _____.

Print Name: _____

Signature: _____

CHAIRPERSON

Date

This church is presently designated in the Comprehensive Plan category of _____.

IX. CERTIFICATION DISTRICT SUPERINTENDENT

I hereby certify that I have examined the statements given in this application and they are correct. The District Board of Church Location and Building has approved the project, and my signature below verifies that I will recommend a Loan be granted to the Cabinet in the amount indicated below and that will communicate the results of the Cabinet review to the Congregational Loan Committee office.

Signed _____ Amount Recommended \$ _____

X. LOAN ARRANGEMENTS

1. Treasurer who should receive statements and all correspondence on loan account, and who will remit payments of principal and interest.

Name: _____

Daytime Phone: _____ Email address: _____

2. Name and address of Attorney who will review/participate in the preparation of legal documents required.

Name: _____

Address: _____

Daytime Phone: _____ Email address: _____

XI. CLOSING PROCEDURES

Legal Requirements:

1. Note and Trust Deed furnished by the Annual Conference (Congregational Loan Committee) office.
2. Trust Deed returned to Conference Center to be recorded with the County Clerk.
3. Verification of insurance with proper mortgage clause sent to the Conference Center.
4. Title policy brought down to date with no objectionable features.
5. The original of a 100% completion or performance bond in cases of construction when loan is \$20,000 or more. Bonds must be provided by a company holding a certificate of authority as acceptable surety on Federal bonds as determined by the U.S. Treasury Department.
6. Statement and pledge by church officials that with the release of the loan proceeds the building can be completed or the property purchased with no additional debt, and no liens for materials and labor.

Release of Funds: In cases involving construction, the mortgage loan can serve as a construction loan. Funds will be released to the local congregation upon receipt of Architect's Certificate for Payment, showing full cost of the contract and the portions completed to date, with 10% retainage. Interest is charged only on funds disbursed. In situations of owner/builder, paid receipts are to be presented for reimbursement as loan draws. The usual and customary policy for payment prescribes payment upon completion of work. Any exceptions will be addressed on an individual basis.

XII. PERMISSION TO INCUR ADDITIONAL INDEBTEDNESS

We agree to communicate directly with the Congregational Loan Committee office prior to incurring additional indebtedness. Our signatures below signify that we are aware of this requirement and take corporate responsibility for this action should the situation present itself.

Signed _____	_____
Treasurer	Date
Signed _____	_____
Finance	Date
Signed _____	_____
Trustee	Date
Signed _____	_____
Pastor	Date

XIV. DESCRIPTION AND STRATEGY FOR MINISTRY

Describe the present use of the church facilities for community outreach and ministry. The Annual Conference has required each local congregation to complete a "Covenant for Vital Ministry". Please provide a copy with this application.

XIV. CERTIFICATION

We have read and understand the Congregational Loan Committee Guidelines. We will abide by the procedures set forth therein.

Trustee Chairperson signature

Date

Pastor signature

Date

BASIC REQUIREMENTS FOR LOAN CONSIDERATION



CONGREGATIONAL LOAN COMMITTEE

CALIFORNIA-PACIFIC ANNUAL CONFERENCE of the United Methodist Church

- ✓ Project of construction or renovation to church facility.
- ✓ Apportionments are expected to be paid in full.
- ✓ Debt to income ratio can be no more than 25% of budget.
- ✓ Cash on Hand: Must have 25% of the cost of the project.
- ✓ Cabinet must give their recommendation of your loan application prior to submitting it to the Loan Committee.
- ✓ CLC interest rate is set at the start of each meeting; based upon the following 3 indexes: 1) 11th District Funds, 2) Prime Rate, and 3) prevailing commercial rates.
- ✓ Loan Terms and Loan Amounts:
 - ✎ CONVENTIONAL FINANCING: Preferred repayment term of 15 years (fully amortized), with note due and payable in three years; favoring renegotiation. Loan amounts of \$300,000 - \$1,000,000.
 - ✎ RENOVATION FINANCING: Loan amounts less than \$200,000 with repayment terms amortized based on total amount borrowed; maximum of nine years.
 - ✎ FIVE-YEAR BALLOON FINANCING: Amortization of 20-25 years, with note due and payable in five years. Loan amounts greater than \$850,000.
- ✓ No provisions are given for parsonage loans.
- ✓ Priority consideration is given to new churches for site acquisition and first building, then additional constructions and renovation/repair.
- ✓ Your "Covenant for Vital Ministry" assessment will be discussed by the Congregational Loan Committee when considering a loan. Please include a copy with your loan application.
- ✓ There is no prepayment penalty.
- ✓ Title Insurance and a Performance Bond are required.

FIRST FLOOR PLAN
SCHEMATIC No. 2

Contact information: 1-800-244-8622

