

## **Church Loan Application**

### **For Loans from the Presbytery of Minnesota Valleys**

1. **Philosophy** - Money is loaned to enhance the relationship between churches and the Presbytery. Such action insures that the governing body is standing behind the loaning of money to a church and may be helpful as leverage for bank loans, short term needs, and critical or emergency loans as well as encourage Synod funding.
2. **Purpose** - Money is loaned for the purpose of acquiring or improving real property. This would include acquisition of real estate for building sites or other church use, erection of new buildings and capital improvements of existing structures. Money shall not be loaned for institutional programs or operation expenses.
3. **Churches Eligible to Apply for Loans** - All churches related to Presbytery are eligible to apply for loans. Loans will be processed in the order received and dispersed when funds are available. There may be a 90-day access necessary to receive the money. Loans will be on an unsecured basis.
4. **Origination** - All loan processes shall be in accord with the procedures of the Presbytery. Loan application forms for churches are to be obtained from the Presbytery office or Presbytery web site. Applications for church loans shall be approved by the session, congregation and Presbytery.
5. **Limitations on the Amount of the Loan** - In order to determine the ability of the church to repay the loan, documentation of ability to repay must be provided. No church shall be eligible to borrow in any one loan or combination of loans a sum in excess of \$25,000.00 or 25% of any one project from Presbytery funds. Projects over \$100,000.00 would be eligible for an additional 10% of the project total over \$100,000.00. There is a six (6) year maximum on the length of the loan and a 2% cap on the interest rate change per year. There is a minimum of \$1,000.00 per loan.
6. **Status and Interest Bearing Rate** - Presbytery loans are intended to be supplemental to commercial loans. The rate of interest is to be 1.5% over the one-year Federal Treasury Bill rate on the date of funding with reassessment annually and new interest rates based on the above. For redevelopment or new church development purposes, Presbytery monies will be lent at Federal Treasury Bill rate minus one percent.
7. **Repayment Procedures** - The Presbytery shall provide churches with a repayment schedule showing quarterly payments in accordance with the agreement. Payment shall be submitted to Presbytery of Minnesota Valleys, in accordance with the repayment schedule.

**Church Loan Application Form**  
**Minnesota Valleys Presbytery**

Date	
Church Name	
E-mail	Phone
Address	
Amount Requested for Presbytery Loan	
Supporting Rationale for This Request	
Description of Project	
Date of Session Action	
Date of Congregational Meeting	
Number of YES Votes	
Number of NO Votes	
Proposed Timeline for Repayment	
Cost of Project	
Funds on Hand for This Project	
Pledges to Support this Project	
Amount to Be Financed from Other Sources (not including the presbytery loan)	
Summary of Insurance Coverage	
Form Submitted By	
Clerk of Session Validation	
Presbytery Representative/Stated Clerk	

