

Synod of the Pacific



FORM S

Supplemental Application to Synod: Line of Credit or Amortized Loan

For loan amount increases within one year of original approval

Instructions:

Please send the **completed original application** to your Presbytery Office. Include the following:

- Financial Statements (balance sheet and revenue/expense) for current year and past 1 year
- Current church budget and next proposed budget
- Construction Contract Change Orders
- Changes to Preliminary drawings and plans (file size please)

Send a **complete copy** to:

SYNOD OF THE PACIFIC
ATTN: Loan Department
200 Kentucky St. Suite B
Petaluma, California 94952-3825

Consultation and assistance is available by contacting Danielle Williams, Investment and Loan Coordinator, at (800) 754-0669 x 11 or email to danielle@synodpacific.org

Please call your local Presbytery for their application deadlines and procedures. Synod's application deadline is the 10th of the month prior to their scheduled meeting dates in February, May, August and October.

SYNOD OF THE PACIFIC

FORM S

SUPPLEMENTAL APPLICATION TO EXISTING SYNOD LOAN

Line of Credit Amortized

Section A: General Information

Original Loan Number _____ Original Loan Amount \$ _____

Supplemental Amount Requested \$ _____ Estimated Date Funds Needed _____

Explanation for supplemental requested amount: _____

Name of Church _____ PIN _____ Presbytery _____

Phone (____) _____ Fax (____) _____ E-Mail: _____

Street Address _____ City _____ State ____ Zip _____

Mailing Address (if different) _____

Primary Contact Person for this Application _____ Title _____

Phone (____) _____ - _____ Fax (____) _____ - _____ E-Mail _____

Pastor _____ Phone (____) _____ - _____ At this Church Since _____

Clerk of Session _____ Phone (____) _____ - _____ Term Expires _____

Persons Authorized to Draw Loan Funds: _____, _____, _____
(Authorized Draw List can be revised at any time by Clerk of Session on Church Letterhead)

Section C: Church Statistical Information

Communicant church membership (current and past year): Average Attendance at Sunday Worship Service(s):

This Yr(est) _____ Last Yr: 20____ _____ This Yr(est) _____ Last Yr: 20____ _____

Resident family membership units (number of pledging units)

This Yr(est) _____ Last Yr: 200____ _____

Approximate Membership by Age: _____ % under 45 yrs _____ % 45 to 65 yrs _____ % over 65 yrs

Church School: Enrollment past year _____ Average attendance past year _____

Approximate average family income in congregation \$ _____

Please explain any significant changes in Church Statistical Information since original loan was approved: _____

Building Fund Campaign Update:

Total amount pledged \$ _____ Campaign pledge period from _____ to _____ (dates)	
Number of Families Pledging _____	Average pledge per family \$ _____
Campaign directed by Church Financial Campaign Service of PC (USA)? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, provide copy of contract.	
Are future Campaigns planned? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes: from _____ to _____ and from _____ to _____	

Section D: Church Financial Information

Operating Budget (excludes building fund and affiliated operation Budgets, i.e. pre-school)

	This Yr. (Budget)	Last Yr. 20__
General Operating Revenue:		
A Pledged Revenue		
B Non-Pledged Revenue		
C Operating Revenue from other sources (specify: _____)		
Total General Operating Revenue: * (A+B+C)		
Total General Operating Expenses:		
General Operating Surplus or Deficit: (D - E)		

Updated Borrowing:

Existing Loans <small>(include all debt to banks, Synod, G.A., Presbytery, church members, etc.)</small>	Collateral	Note Amount	Unpaid Balance	Maturity Date	Payment	Interest Rate
Existing Synod Loan						
Projected New Loans						
Additional Amount to existing Synod Loan			N/A			
			N/A			
			N/A			

Section G: Project Financial Plan

ADDITIONAL COLLATERAL (to secure loan, if necessary)

Church Value: \$ _____	Land Value: \$ _____	Total Value: \$ _____
Other Church Owned Property Value \$ _____		
Describe other Property: _____		
Address of Property being used to secure loan if not Church: _____		

Other Collateral, (i.e. endowment fund, etc.): _____		Value: \$ _____

UPDATED PROJECT COST (complete applicable section)

A. Pre-existing Building or Site Purchase	Purchase Price	\$ _____
Appraised Value \$ _____	Renovation or other costs	\$ _____
Appraised By _____	Total Project Cost	\$ _____

B. New Construction or Addition		
Size _____ sq. feet	Cost per square foot \$ _____	Construction to begin on _____, 20____.
1. Construction Contract (check one: <input type="checkbox"/> estimated <input type="checkbox"/> firm)		\$ _____
2. Contractor's Payment and Performance Bond		\$ _____
3. Architect Contract (check: <input type="checkbox"/> maximum cost contract <input type="checkbox"/> revision clause)		\$ _____
4. Furnishings, parking, insurance, professional fees (10% of contract is suggested)		\$ _____
5. Contingencies (bid overage and unscheduled costs. 15% is suggested)		\$ _____
6. Inflation factor (minimum 1% per month from now until construction completion)		\$ _____
Total Project Cost		\$ _____

C. Remodeling / Renovation / Rehabilitation	Construction to begin on _____, 20____	
1. Construction Contract (check one: <input type="checkbox"/> estimated <input type="checkbox"/> firm)		\$ _____
2. Contractor's Payment and Performance Bond		\$ _____
3. Architect Contract (check: <input type="checkbox"/> maximum cost contract <input type="checkbox"/> revision clause)		\$ _____
4. Furnishings, parking, insurance, professional fees (if any)		\$ _____
5. Contingencies (bid overage and unscheduled costs. 20% is suggested)		\$ _____
6. Inflation factor (minimum 1% per month from now until construction completion)		\$ _____
Total Project Cost		\$ _____

D. Other Project or Use for loan proceeds	Total Project Cost	\$ _____
Describe: _____		

UPDATED RESOURCES

E.	1. Cash on Hand from building campaign pledges	\$ _____
	2. Additional Income expected from building campaign before project begins	\$ _____
	3. Un-borrowed Cash from other sources (source: _____)	\$ _____
	4. Additional Income expected from other sources before project begins (specify source: _____)	\$ _____
	5. Cash already expended on project	\$ _____
	6. Other Loans (specify source & terms: _____)	\$ _____
	7. Synod Loan (this application)	\$ _____
Resource Grand Total	(must equal Project Grand Total above)	\$ _____

Explain changes to project costs/resources _____

Section H: Standard Terms and Conditions

All Loans

- _____ 1. Applicant shall have raised, in un-borrowed cash, at least 10% of the project cost before commencing or executing contracts.
- _____ 2. Applicant shall have conducted a special funding campaign and received pledges over and above the regular pledges to the program of the church to provide for repayment of the loan, or shall have made other specific provisions acceptable to Presbytery and Synod for loan repayment.
- _____ 3. Loan proceeds shall be used only for the purposes for which they were appropriated.
- _____ 4. The applicant shall incur no financial obligations which are not scheduled as part of the approved Financial Plan without prior consent from the Presbytery and the Synod. Terms and outstanding balances of all loans shall be acknowledged by being printed in the minutes of each annual meeting of the congregation, until fully repaid.
- _____ 5. All borrowers with loan balances over \$500,000 will be required to provide annual financial statements to the Synod within 90 days of their financial year end. Annual or monthly financial information may also be required of other accounts as deemed necessary by the Synod.
- _____ 6. Synod reserves the right to suspend credit if applicant's payments are not within term, or if Synod deems there is any other substantial breach of loan covenants.
- _____ 7. The Synod reserves the right to revise the interest rate in the event that Synod has a change in banking relationships and/or any significant change in its cost of borrowing.
- _____ 8. Extension or conversion to an Amortized Loan is not automatic. A new Initiation Fee will be charged on any extension or conversion.
- _____ 9. The interest rate will increase by 1% at the maturity date and every anniversary thereafter if the loan has not been extended or converted.
- _____ 10. There is an Initiation Fee of 0.50% of the loan amount approved. The loan will be canceled if Initiation Fee is not paid within 60 days of approval. Initiation Fees are non-refundable.
- _____ 11. The loan will be canceled if not drawn within 6 months of approval date.
- _____ 12. Line of Credit and Amortized Loans over \$25,000 will be secured by a Deed of Trust on real property. All loans requiring a Deed of Trust will also require standard ALTA Title Insurance.
- _____ 13. All loans shall become immediately due and payable when a congregation sells any portion of real property on which a Synod loan has been made and or at such time as the borrower is no longer under the jurisdiction of the Presbyterian Church (U.S.A).

Initial next to each condition to signify you agree to the terms. If any of the above conditions cannot be met, please request a waiver of the conditions on the following page. State the reasons for your request as part of this loan application.

Construction Loans Only

- _____ 14. Construction contract will be signed only after receiving a commitment letter from the Synod advising of loan approval.
- _____ 15. Building fund pledge receipts shall be held in a separate bank account, and shall be applied directly to actual project costs or to reduction of project debt.
- _____ 16. The owner governing body shall require proof of construction bid and performance bonds, builder’s risk and vandalism insurance during the project’s construction, and shall carry fire, extended coverage, and liability insurance on the full amount of the contract, and shall require documentary assurances at the conclusion of the project to indemnify the owner against mechanics’ liens.
- _____ 17. All contractors shall provide proof of liability insurance to protect the owner against construction errors and omissions, including a guarantee period of one year from the date of acceptance by owner. All contracts shall be bonded.
- _____ 18. The applicant shall provide to the Synod proof of Course of Construction insurance.
- _____ 19. Applicant shall engage the services of companies, contractors and other professionals who are equal opportunity employers.
- _____ 20. Building design shall accommodate the needs of persons with disabilities and comply with the Americans with Disabilities Act.
- _____ 21. Building design shall incorporate measures to make the building energy efficient.
- _____ 22. All construction and renovation shall comply with all local building codes and zoning regulations.

Site Loans Only

- _____ 23. Soil tests must be done before any site is purchased in order to assure that the selected site is suitable for building.
- _____ 24. An environmental audit shall be conducted on any previously developed sites.

Initial next to each condition to signify you agree to the terms. If any of the above conditions cannot be met, please request a waiver of the conditions on the following page. State the reasons for your request as part of this loan application.

**COVENANT AGREEMENT
Design, Construction, and Financial Covenant**

Select and initial ONE of these statements, then sign below:

- 1) _____ The applicant congregation hereby agrees to abide by all terms and conditions of this loan as found on the previous page of this application. We understand that conditions 14 through 22 apply only to construction projects (including major repairs and renovations), and that conditions 23 and 24 apply only to site purchases.
- 2) _____ The applicant congregation hereby requests a waiver of certain loan terms and conditions as found on the previous page of this application. In the space provided below we explain any requests for waivers of terms and conditions.

_____ Clerk of Session

_____ Date

APPLICATION for WAIVER

The applicant congregation wishes to request a waiver of the following condition (s) with the following explanation:

Section I: Approvals

CHURCH/BORROWER (Session Request)

On _____, 20 ____, the Session of _____ Church of _____, subject to the approval of Presbytery, VOTED to apply for an addition to their (choose one):

- Synod Line of Credit in the amount of up to \$ _____, for 24 months, with payments of interest only, based on the Synod's internal cost of funds (less any mission giving discount). Principal will then be refinanced by a:
 Synod Amortized Loan Bank Loan General Assembly Loan or Other (Specify _____)
- Synod Amortized Loan in the amount of up to \$ _____, for 60 months, with payments of principal and interest based on the Synod's internal cost of funds (less any mission giving discount), based on a _____ year amortization schedule (25 year maximum).

The Session believes the statements and data contained herein to be accurate, and that the proposed financial obligations are within the ability of the church to repay, and submits this application for consideration. The Session understands and agrees to the "Standard Terms and Conditions" in Section H of this application.

Clerk of Session

Date

CONGREGATION (for loans requiring a Deed of Trust or Modification to a Deed of Trust)

On _____, 20 ____, the Congregation of _____ Church of _____, voted to approve execution of a Deed of Trust/Modification to the Deed of Trust on church property to secure this loan.

Clerk of Session

Date

PRESBYTERY

On _____, 20 _____, the Presbytery of _____, In accordance with the Book of Order and its own procedures approved this supplemental application to increase (Church's name, City) _____'s

(choose one): Line of Credit for 24 months Amortized Loan for 60 months Loan Number: _____, in the amount up to \$ _____ . The Presbytery also:

- Reviewed and approved this project as to mission priority;
- Gave consideration to participation in the project's funding
- Reviewed and approved the Financial Plan as fiscally responsible.
- Agreed to guarantee scheduled repayment of said Synod Loan.
- Requests that loan proceeds to be disbursed by Synod directly to the Applicant.

Presbytery/Associate Synod Executive/Stated Clerk

Date

SYNOD

On _____, 20 _____, the SYNOD OF THE PACIFIC, in accordance with its own procedures, VOTED to APPROVE an increase in this Synod: Line of Credit for 24 months Amortized Loan for 60 months Loan Number: _____, in the amount up to \$ _____ at a starting rate of _____% based on the Synod's internal cost of funds, which includes a discount of _____% based on Mission Giving history.

Synod Executive/Director of Business Services/Stated Clerk

Date