

# Synod of the Pacific



## FORM B Presbytery Application for Line of Credit or Amortized Loans, Including Renewals and Conversions

Bridge Loans, Operating Expenses, Construction,  
Site or Building Purchase, and Other Projects

### Instructions:

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

- Financial Statements (balance sheet and revenue/expense) for current year and past 2 years
- Current church budget and next proposed budget
- Preliminary drawings and plans (file size please)
- Construction contract
- Appraisal (for site and building purchases only)

Send a **complete copy** to or Email to Danielle: **AN ORIGINAL IS NOT REQUIRED**

SYNOD OF THE PACIFIC  
ATTN: Loan Department  
PO BOX 964  
Petaluma, California 94953-0964

Consultation and assistance is available by contacting Danielle McCarthy, Investment and Loan Coordinator, at 707-765-1772 x 110 or email to [danielle@synodpacific.org](mailto:danielle@synodpacific.org). Please call your local Presbytery for their application deadlines and procedures. Synod's application deadline is the 10<sup>th</sup> of the month prior to their scheduled meeting dates in February, May, August, and October

FORM B

PRESBYTERY APPLICATION FOR SYNOD LOAN

Line of Credit     Amortized     James M. Muzzy

(Sections B and E do not apply, and therefore are not included)

Section A: General Information

Amount Requested: \$ \_\_\_\_\_ Estimated Date Funds Needed: \_\_\_\_\_

Purpose of loan: \_\_\_\_\_

Applicant Presbytery: \_\_\_\_\_ General Presbyter/ Presby Exec: \_\_\_\_\_

Address: \_\_\_\_\_

Presbytery website: \_\_\_\_\_

Primary Contact Person: \_\_\_\_\_ Title: \_\_\_\_\_

Phone Number: (\_\_\_\_\_) \_\_\_\_\_ Email Address: \_\_\_\_\_

Property Titleholder (for secured loans): \_\_\_\_\_

Persons Authorized to Draw Loan Funds: \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_  
(Authorized Draw List can be revised at any time by Stated Clerk on Presbytery Letterhead)

Section C: Presbytery Statistical Information

Presbytery membership (past five years):

This Yr. (est.) \_\_\_\_\_ Last Yr.: 20\_\_ \_\_\_\_\_ 20\_\_ \_\_\_\_\_ 20\_\_ \_\_\_\_\_ 20\_\_ \_\_\_\_\_

Number of Congregations:

This Yr. (est.) \_\_\_\_\_ Last Yr.: 20\_\_ \_\_\_\_\_ 20\_\_ \_\_\_\_\_ 20\_\_ \_\_\_\_\_ 20\_\_ \_\_\_\_\_

Please explain any significant changes in Statistical Information expected because of this project: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**Section D: Presbytery Financial Information**

**Operating Budget (excludes building funds)**

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

**Borrowing:**

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

Please explain any differences between the above financial summary and the financial statements provided: \_\_\_\_\_

## Section F: Mission Strategy Statement

---

---

On a separate paper, describe the Presbytery's Mission Strategy for the next twelve months, including specific goals and objectives. Describe how the proposed project will facilitate implementation of these goals and objectives.

## Section G: Project Financial Plan

---

---

### COLLATERAL (to secure loan)

Presbytery Office Value: \$ \_\_\_\_\_ Land Value: \$ \_\_\_\_\_ Total Value: \$ \_\_\_\_\_

Other Presbytery Owned Property Value \$ \_\_\_\_\_

Describe other Property: \_\_\_\_\_

Address of Property being used to secure loan: \_\_\_\_\_

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

**COST (Complete only as applies)**

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

<b>B. New Construction or Addition</b>		
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)		\$ _____
	<b>Total Project Cost</b>	<b>\$ _____</b>

<b>C. Remodeling / Renovation / Rehabilitation</b>		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		\$ _____
2. Architect Contract (check: <input type="checkbox"/> maximum cost contract <input type="checkbox"/> revision clause)		\$ _____
3. Furnishings, parking, insurance, professional fees (if any)		\$ _____
4. Contingencies (bid overage and unscheduled costs. 20% is suggested)		\$ _____
5. Inflation factor (minimum 1% per month from now until construction completion)		\$ _____
	<b>Total Project Cost</b>	<b>\$ _____</b>

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

**RESOURCES**

<b>E.</b>	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)	\$ _____
	<b>Resource Grand Total (must equal Total Project Cost above)</b>	<b>\$ _____</b>

## Section H: Standard Terms and Conditions

### All Loans

- \_\_\_ 1. Loan proceeds shall be used only for the purposes for which they were appropriated.
- \_\_\_ 2. The applicant shall incur no financial obligations which are not scheduled as part of the approved Financial Plan without prior consent from the Synod.
- \_\_\_ 3. Terms and outstanding balances of all loans shall be acknowledged by being printed in the minutes of each annual meeting of the presbytery, until fully repaid.
- \_\_\_ 4. 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.
- \_\_\_ 5. 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.
- \_\_\_ 6. Extension or conversion to an Amortized Loan is not automatic. A new Initiation Fee will be charged on any extension or conversion.
- \_\_\_ 7. The interest rate will increase by 1% at the maturity date and every anniversary thereafter if the loan has not been extended or converted.
- \_\_\_ 8. 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.
- \_\_\_ 9. The loan will be canceled if not drawn within one year of approval date.
- \_\_\_ 10. 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.
- \_\_\_ 11. 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 (USA).

### Construction Loans Only

- \_\_\_ 1. Construction contracts will be signed only after receiving a commitment letter from the Synod advising of loan approval.
- \_\_\_ 2. 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's mortgage.
- \_\_\_ 3. 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.
- \_\_\_ 4. 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 contractors shall be bonded.
- \_\_\_ 5. The applicant shall provide to the Synod proof of Course of Construction insurance.
- \_\_\_ 6. Applicant shall engage the services of companies, contractors and other professionals who are equal opportunity employers.
- \_\_\_ 7. Building design shall accommodate the needs of persons with disabilities and comply with the Americans with Disabilities Act.
- \_\_\_ 8. Building design shall incorporate measures to make the building energy efficient.
- \_\_\_ 9. All construction and renovation shall comply with all local building codes and zoning regulations.

### Site Loans Only

- \_\_\_ 1. Soil tests must be done before any site is purchased in order to assure that the selected site is suitable for building.
- \_\_\_ 2. 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 Presbytery hereby agrees to abide by all terms and conditions of this loan as found above. We understand that conditions 11 through 19 apply only to construction projects (including major repairs and renovations), and that conditions 20 and 21 apply only to site purchases.
- 2) \_\_\_\_\_ The applicant Presbytery hereby requests a waiver of certain loan terms and conditions as found on the previous page of this application. On a separate page, explain any requests.

\_\_\_\_\_

<b>Authorized Signor</b>	<b>Title</b>	<b>Date</b>
--------------------------	--------------	-------------

**APPLICATION FOR WAIVER**

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

---

---

---

---

---

---

---

---

---

---

**Section I: Approvals**

**PRESBYTERY**

On \_\_\_\_\_, 20 \_\_\_\_\_, the \_\_\_\_\_ (name of Presbytery), VOTED to apply for a (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. Eligible for renewal one time.
  
- 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, based on a \_\_\_\_\_ year amortization schedule (25 year maximum).

We believe the statements and data contained herein to be accurate, and that the proposed financial obligations are within the ability of the presbytery to repay and submit this application for consideration. We understand and agree to the “Standard Terms and Conditions” in Section H of this application.

_____	_____	_____
Authorized Signor	Title	Date

**SYNOD**

On \_\_\_\_\_, 20 \_\_\_\_\_, the SYNOD OF THE PACIFIC, in accordance with its own procedures, VOTED to APPROVE a Synod:    Line of Credit for 24 months      Amortized Loan for 60 months      James M. Muzzy Loan in the amount up to \$ \_\_\_\_\_, at a starting rate of \_\_\_\_\_% based on the Synod’s internal cost of funds.

_____	_____
Synod Executive/Director of Business Services/Stated Clerk	Date