

Synod of the Pacific



FORM - M

Application for James M. Muzzy Revolving Fund Loan

Construction, Repairs and Renovations,
Site or Building Purchase,
Pastor Housing and Other Projects

Instructions:

Please send the **completed original application** to your Presbytery/Mission Area office. Include the following:

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

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 McCarthy, 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.

FORM M

APPLICATION FOR JAMES M. MUZZY REVOLVING FUND LOAN

Line of Credit Amortized Loan Equity Share Loan Insurance Loan

Section A: General Information

Amount Requested \$ _____ Estimated Date Funds Needed _____

Purpose of loan: _____

Name of Church _____ PIN _____ Presbytery _____

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

Street Address _____ City _____ State _____ Zip _____

Mailing Address (if different) _____

Does the Church have a website? Yes No If so, website address: _____

Titleholder (exact corporate name) _____

Date Church was organized _____ Church was formerly known as _____

Primary Contact Person for Loan Application _____ Title _____

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

Pastor _____ Phone (____) _____ At Church Since _____

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

Type of Church: (check all applicable categories)

- | | | | |
|---|--------------------------------------|-----------------------------------|---|
| <input type="checkbox"/> New Church Development | <input type="checkbox"/> Urban | <input type="checkbox"/> Suburban | <input type="checkbox"/> Non-metropolitan |
| <input type="checkbox"/> Native American | <input type="checkbox"/> Asian | <input type="checkbox"/> Black | <input type="checkbox"/> Caucasian |
| <input type="checkbox"/> Hispanic | <input type="checkbox"/> Other _____ | | |

Section B: Information about your Community

Radius of community in miles _____ Current Population _____ Expected 5 year growth _____

Factors contributing to changes in population (cite sources): _____

Economic base of community:

Approximate price of average home \$,

Three churches closest to yours:

Denomination	Approximate Membership	Distance from your Church
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Section C: Church Statistical Information

Communicant church membership (past five years):

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

Average Sunday Worship Attendance (past five years):

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

Expected Membership: _____ One year _____ Three years _____ Five years _____

Explanation for Expected Change in Membership: _____

Resident family membership units (number of pledging units)

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

Annual membership mobility rate (approximate) _____ %

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 expected as a result of this project: _____

Building Fund Campaign:

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)? Yes No If no, provide copy of contract. Are future

Campaigns planned? Yes No If yes: from _____ to _____ and from _____ to _____

Section D: Church Financial Information

Operating Budget (excludes building funds and affiliated operations such as pre-school)

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

* Use this number in Section E (Mission Giving), row A.

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
Projected New Loans						
Synod Loan			N/A			
			N/A			
			N/A			

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

Section E: Mission Giving

	This Yr. (Budget)	Last Year 20__	20__	20__	20__
A Total General Operating Revenue *					
B Per Capita Expense					
C GA/Synod/Presbytery Pledged Giving					
Special Offerings (OGHS, Pentecost, Christmas/Joy, Peacemaking)					
E Total Qualifying Mission Giving (B+C+D)					
% Mission Giving to Revenue** (E A)	%	%	%	%	%

* From Section D (Budget Info), Row D

** Interest Rate Discounts of up to 0.75% are available based on your most recent full year's Mission Giving Percentage. (0.75% discount at or above 10.0% giving; 0.50% discount from 7.0% to 9.9%; 0.25% discount from 5.0% to 6.9%.) Please consult with Synod staff for exact qualifications and calculations to determine what interest rate you will qualify for.

Section F: Mission Strategy Statement

On a separate paper, describe the congregation's Mission Design or 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)

Church Property Value: \$ _____ Land Value: \$ _____ Total Value: \$ _____

Other Church 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)

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: estimated firm) \$ _____
 - 2. Contractor's Payment and Performance Bond \$ _____
 - 3. Architect Contract (check: maximum cost contract 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: estimated firm) \$ _____
- 2. Contractor's Payment and Performance Bond \$ _____
- 2. Architect Contract (check: maximum cost contract 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) \$ _____

Total Project Cost \$ _____

D. Other Project or Use for loan proceeds

Total Cost \$ _____

Describe:

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. James M. Muzzy Loan (this application) \$ _____
- Resource Grand Total (must equal Project Grand Total above) \$ _____

Section H: Standard Terms and Conditions

All Loans

Initial next to each condition to signify you accept the term as stated. If any of the 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.

- ___ 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. Annual or monthly financial statements may be required of some accounts as deemed necessary by the Synod, and must be provided within 90 days of the close of the financial period in question.
- ___ 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. The loan will be canceled if not drawn within one year of approval date.
- ___ 9. All James M. Muzzy loans over \$20,000 will be secured by a First Deed of Trust on real property and will also require standard ALTA Title Insurance.
- ___ 10. 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).

Construction Loans Only

- ___ 1. Construction contract 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 contracts 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 and/or Building Purchase 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.
- ___ 3. If the building or site is sold before being developed and utilized for the mission program purposes for which it was purchased, the Synod shall share proportionately with the titleholder any capital gain or loss.

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 11 through 19 apply only to construction projects (including major repairs and renovations), and that conditions 20 through 22 apply only to site and/or building 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 _____ (City/State),
subject to the approval of Presbytery, VOTED to apply for a James M. Muzzy (choose one):

- JMM Line of Credit in the amount of up to \$ _____, for 12 months, with payments of interest only, based on the Synod's internal cost of funds (less mission giving discount).
- JMM Amortized loan in the amount of us to \$ _____, for 60 months, with payments of principal and interest based on the Synod's cost of funds (less mission giving discount), based on a _____ year amortization schedule (25 year maximum)
- JMM Insurance Loan in the amount up to \$ _____, for _____ years, with payments of principal and interest based on a _____ year amortization. These loans have a special reduced rate for a fixed term.

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)

On _____, 20 __, the Congregation of _____ Church of _____ (City/State), voted to approve execution of a 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 application for a James M. Muzzy (choose one):

- Line of Credit Loan Amortized Loan Equity Share Loan Insurance Loan

in the amount up to \$ _____, starting interest rate of _____%, which includes a Mission Giving discount of _____%. Term of the loan is _____ months, to be converted after 12 months/ reviewed for adjustment every 60 months. Monthly payments of: Interest only Principal and interest payments based on a _____ year amortization. We have:

- Reviewed and approved this project as to mission priority;
- Given 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.
- Agreed that loan proceeds be disbursed by Synod directly to applicant.
- Attached a copy of its most recent Audited Annual Financial Statements

Presbytery Executive/Stated Clerk

Date

SYNOD

On _____, 20 _____, the SYNOD OF THE PACIFIC, in accordance with its own procedures, VOTED to APPROVE a James

M. Muzzy Line of Credit Amortized Equity Share Insurance Green Loan, in the Amount of \$ _____ with the following rates and terms:

A starting interest rate of _____%, which includes a Mission Giving discount of _____%, to be converted after 12 months/reviewed for adjustment every 60 months. Monthly interest only/principal and interest payments based on a _____ year amortization.

Synod Executive/Director of Business Services/Stated Clerk

Date