

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 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, EMAIL IS PREFERRED**

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

Consultation and assistance are available by contacting Danielle McCarthy, Investment and Loan Coordinator at 707-765-1772 ext. 110 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 before their scheduled meeting dates in February, May, August, and October.

FORM M

APPLICATION FOR SYNOD LOAN

Line of Credit Amortized Loan Equity Share Loan

Section A: General Information

Amount Requested \$ _____ Estimated Date Funds Needed _____

Purpose of loan: _____

Name of Church _____ PIN _____ Presbytery _____

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

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

Street Address _____ City _____ State ____ Zip _____

Mailing Address (if different) _____

Titleholder (exact corporate name) _____

Date Church was organized _____ Church was formerly known as _____

Primary Contact Person for this Loan 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)

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
_____	_____	_____
_____	_____	_____
_____	_____	_____

Section C: Church Statistical Information

Communicant church membership (past five years):

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

Average Attendance at Sunday Worship Service(s) (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 Yr. 20__	20__	20__	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)					

Borrowing:

Existing Loans (Include all debt to banks, Synod, G.A., Presbytery, church members, etc.)	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 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 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: \$ _____

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: _____		

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 Total Project Cost)	\$ _____

Section H: Standard Terms and Conditions

All Loans

Initial next to each condition to signify you agree to the terms. 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. 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 if 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 \$250 of the loan amount approved. The loan will be canceled if the 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 (USA).

Construction Loans Only

14. Construction contracts 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 the 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 to assure that the selected site is suitable for building.
- _____ 24. An environmental audit shall be conducted on any previously developed sites.

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 a (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.
- JMM 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).

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 (Loans over \$25,000 REQUIRE a Deed of Trust PLEASE SIGN IF YOUR LOAN IS OVER THIS AMOUNT)

On _____, 20 ____, the Congregation of _____ Church of _____, 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 (choose one):

- Line of Credit for 12 months Amortized Loan for 60 months Insurance Loan for 120 months

in the amount up to \$ _____. The Presbytery has 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 be disbursed by Synod directly to the Applicant.
- Attached a copy of its most recent Audited Annual Financial Statements

Presbytery/Associate Synod Executive/Stated Clerk

Date

SYNOD

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

Synod: Line of Credit for 12 months Amortized Loan for 60 months Insurance Loan for 120 months

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