

GUIDELINES FOR CONGREGATIONAL LOAN FUND

(Adopted March 17, 1983)

(Amended April 27, 2002)

RESOLVED, that the Standing Committee approved the following guidelines for a CONGREGATIONAL LOAN FUND (CLF):

1. The total amount of indebtedness of a congregation shall not under ordinary circumstances, exceed one-and-a-half times the average of the current, and past two (2) years annual operating income of the congregation.
2. The monthly payments on indebtedness of such congregation, including interest, and housing allowance if applicable, shall not exceed 25% of each congregation's monthly operating income.
3. Any congregation is eligible to borrow up to \$20,000 from the CLF, regardless of the operating income formula.
4. Mission congregations are eligible to borrow up to one and one-half times average of the current, and past two (2) years' annual operating income from the CLF.
5. Parish congregations are eligible to borrow up to 75% of the average of the current, and past two (2) years annual operating income from the CLF.
6. Rates and terms for loans to mission congregations and Diocesan institutions from the CLF are 4% per annum and for loans to parishes, 5% per annum, with the amortization terms to be up to fifteen years, with a five year balloon note if more than five years is required to pay off the loan. Payments to the CLF will be monthly unless arranged otherwise.
7. Any extraordinary loan request or grant request should be submitted to the Bishop for consideration.



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FORM FOR USE OF PARISH OR MISSION WHEN MORTGAGING PROPERTY OR BORROWING FROM THE CONGREGATIONAL LOAN FUND

(Application to the Commission on Finance/Standing Committee for Mortgaging Property or Borrowing from the Congregational Loan Fund)

1. Name and location of church proposing mortgage:
2. Terms of note relating to mortgage for which consent is sought:
 - a. Amount proposed to be borrowed: \$ _____
 - b. Interest rate: _____ %
 - c. Period of years: _____
 - d. Manner of payment of loan: _____
3. Name and address of lender and mortgagee:
4. If purchase money mortgage, supply the following:
 - a. Purchase price of property: \$ _____
 - b. Amount of down payment: \$ _____
 - c. Proposed use of property: \$ _____
5. If not a purchase money mortgage, what is nature of project, etc.?
6. Estimated cost of project: \$ _____
7. Who made the cost estimates? (Attach copies of bids, etc.)
8. Has the Architectural Consultant approved the plans and specifications? Is a copy of the approval attached hereto?
9. Financial resources already assured:
 - a. Local cash \$ _____
 - b. Local pledges \$ _____
 - c. Loans from other sources \$ _____
10. When would work begin?
11. When will loan be needed? What length loan?
12. Describe present facilities and indebtedness of same.
13. Overall program: (Do plans call for other construction in the future? If so, is this project designed for eventual conversion to other use?)
14. Any other information which may be of interest to the Commission on Finance and the Standing Committee in considering this application should be set forth, i.e., does the

application comply with these guidelines?

15. Attach copy of the legal description of property to be mortgaged.

a. Who holds title to the property?

b. Has there been compliance with Canon 12 of the Diocese?

c. If not, is action being taken to comply?

16. Number of communicants: _____

Number of financially contributing families: _____

17. Current Annual Operating Budget: \$ _____

18. Current Annual Debt Service: \$ _____

19. What is the average of the current and past two calendar years' operating budget?

20. What is the amount of current monthly payments on indebtedness, including interest?

21. Present fair market value of all buildings and improvements?

22. Percentage of income pledged to the Diocese and amount paid thereon for the past two years:

23. Do you agree to furnish quarterly reports in writing to the Standing Committee until the project is completed? _____ Yes _____ No

If answer is yes, please cover in narrative form the total contract price, contract completion date, amount paid on contract to date, percentage of time used to date and indicate if the project appears to be within the budget.

Approved by Chancellor:

Approved by Commission on Finance:

Approved by Standing Committee by 2/3 vote:

a. By Mail:

b. At a regular meeting:

c. Mail Poll confirmed:

Approved by Bishop:

**VESTRY RESOLUTION TO ACCOMPANY FORM FOR PARISHES
AND MISSIONS TO USE WHEN MORTGAGING PROPERTY
OR BORROWING FROM THE CONGREGATIONAL LOAN FUND**

BE IT RESOLVED by the Vestry of (name of Parish or Mission) that a sum not exceeding \$ _____ be borrowed for not exceeding _____ years at a rate of interest not in excess of ____ % per annum for the purpose of _____ and that a mortgage be given on the _____ as security for said debt, and

BE IT FURTHER RESOLVED that the Senior Warden and Rector (or Vicar) are authorized to make application to the Bishop and the Standing Committee of the Diocese of the Central Gulf Coast for the approval of said mortgage loan and to do any and all things and execute any and all papers incidental to obtaining permission to obtain and secure said loan.

I, _____, Clerk of the Vestry of _____, hereby certify that the foregoing resolution was passed by a majority vote of the Vestry at a meeting duly held on _____ at _____ on the _____ day of _____, 20____.

Clerk of the Vestry

I, _____, Rector (or Vicar) of _____, hereby consent to the action of the Vestry in authorizing the foregoing mortgage loan dated at _____, Alabama/Florida, on this the _____ day of _____, 20 ____.

Rector (or Vicar)



ADMINISTRATIVE PROCEDURES TO BE FOLLOWED BY VESTRY

1. Engineering, construction and other necessary contracts should be with the Diocesan corporation, as owner. In similar fashion, bonds, insurance and other underwriting should run in favor of the Diocesan corporation.
2. All such contracts, bonds, insurance and the like should be negotiated and/or procured by the Vestry undertaking such construction. Contracts should be forwarded to the Diocesan office with a statement by the vestry that such instruments have the approval of the vestry and with a request that they be executed by the Diocesan corporation.
3. Mortgages and notes to finance any such construction must be executed by the Diocesan corporation, whether it be temporary financing for construction or permanent financing.
4. Where there is temporary construction financing, it would be desirable for the Vestry to designate some local bank or other institution as a trustee to disburse funds upon requisition by a designated person. The vestry will request that the Diocese approve a named person as agent to approve requisitions for payment.
5. The Diocese should obtain from the responsible vestry a letter or statement incorporated in the request for the execution of the construction contracts, agreeing that the parish will repay the debt with all costs and expenses thereto.