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CHURCH LOAN FUND

The General Assembly has established a loan fund for church site and building development whereby low-interest financing is available to mission churches and other churches in need on a revolving capitalization basis. There are 10 criteria for the EPC Church Loan Fund.

Criteria

- 1) The requesting church must submit a Church Loan Fund Application and the church's financial information, including statements of balance, expenses, and income in accordance with generally accepted accounting principles. Upon loan approval, the church and guarantor must sign the Loan Agreement.
- 2) The original fee rate will be established at the time of the loan. The rate is valid for one (1) year, renewed on each succeeding anniversary date, and will be the greater of 1% or the average of the five (5) highest 2-year certificates of deposit as quoted at www.bankrate.com. The maximum term of the loan varies depending on how the funds will be used:
 - Land— five (5) years.
 - Capital Improvements—five (5) years.
 - Equipment—five (5) years.
 - Building—fifteen (15) years

The loan repayment minimum also varies depending on how the funds are used:

- Land—20% of original principal each year.
 - Capital Improvements—20% of original principal each year.
 - Equipment—20% of original principal each year.
 - Building—6.67% of original principal each year.
- 3) Loan repayments are scheduled for twelve monthly installments each year, including above-noted principal plus $\frac{1}{12}$ of applicable annual fees each month.
 - 4) Loans are restricted for church site acquisition and/or building construction or purchase, capital improvements, or equipment purchase.
 - 5) The maximum loan limits to an individual church are:
 - 10% of total Church Loan Fund or \$150,000, whichever is larger;
 - 75% of the value of mortgaged property;



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- An amount not to exceed 40% of a church's previous year's income (operating budget).
- 6) Concerning loan security, a presbytery is required to contractually guarantee timely monthly repayment of a church's mortgage upon the recommendation of the Finance Committee of the EPC Board of Directors following its determination that the loan is a sound financial venture. The Church Loan Fund shall carry a first or second mortgage on property for which the loan is being made.
 - 7) A church receiving funds from the Church Loan Fund must have adequate insurance, guaranteed title, and performance bonds from all involved contractors.
 - 8) A church receiving funds from the Church Loan Fund must have its land and existing building(s) appraised by a qualified appraiser. New construction should be granted only following a competitive bidding process.
 - 9) If a church that has received funds from the Church Loan Fund disaffiliates with the EPC for any reason or in the event of default, the loan principal balance becomes due immediately.
 - 10) Community zoning laws must be adhered to by the church receiving funds. These requirements should be satisfied prior to loan approval.

*Adopted 1983
Amended 1990
Amended 1994
Amended 2018*

Application Process

The Seven-Step Process (SSP) of the Church Loan Fund (CLF) is as follows:

Step 1

Each EPC church pastor and session seeking an EPC loan should study and follow the Church Loan Fund Criteria Sheet and comply with each item in order to properly complete the CLF Application. At this time, alert the respective Presbytery Church Development Committee of the church's Application.

Step 2

Each church will submit the Loan Fund Application to the Finance Director of the Office of the General Assembly for review.

Step 3

Submit the reviewed CLF Application, with all required supporting documents, to the local church's respective Presbytery Church Development Committee (CDC). The Office of the General Assembly will assist in coordination with the Presbytery CDC.

Step 4

Verification and reasonable documentation of expenditures covered by the loan will be provided to the Finance Committee.

Step 5

Approval by the Finance Committee will be given after all preceding steps have been completed and are satisfactory.

Step 6

The EPC church that has been approved for a loan from the CLF will complete, sign, and submit the Loan Agreement and receive a certified check from the CLF through the Office of the General Assembly.

Step 7

Repayment of the loan shall be made according to an agreed-upon schedule of payments as specified in the Loan Agreement. Loans on land, capital improvements, and equipment are to be paid within five (5) years. Loans on church facilities are to be paid within fifteen (15) year.

Note: Some minor revisions in the process are pending approval by the General Assembly in June 2018.



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Application

Please answer each question in full. All names should be properly spelled and must be given exactly as they will appear on legal papers.

Part 1—Church Information

Church Name _____

Address _____

City _____ State _____ ZIP _____

County _____ Telephone _____

Presbytery _____

Amount of Loan Requested \$ _____

Presbytery Church Development Chair _____

List the name, complete address, and telephone number of the liaison person between the Office of the General Assembly and the church, to whom all correspondence should be sent:

Name _____

Address _____

City _____ State _____ ZIP _____

Telephone _____

List names (exactly as they will be signed) and complete residential addresses of the following church officers:

Minister _____

Address _____

City _____ State _____ ZIP _____

Telephone _____



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Clerk of Session _____

Address _____

City _____ State _____ ZIP _____

Telephone _____

Treasurer _____

Address _____

City _____ State _____ ZIP _____

Telephone _____

Part 2— Church Demographics

Date church started _____ Date church organized _____

Date church incorporated _____ Charter membership _____

Additions the past year by confession of faith _____

Addition the past year by letter of transfer _____

Present church membership _____

Average worship and church school attendance in the past five years

20 ___ Worship _____ Sunday School _____

20 ___ Worship _____ Sunday School _____

20 ___ Worship _____ Sunday School _____

20 ___ Worship _____ Sunday School _____

20 ___ Worship _____ Sunday School _____



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Part 3—Church Property

(Attach a map of lot, naming adjoining streets)

Address _____

Size of lot _____ Corner lot? Yes No

Is there sufficient land for overall master plan, including parking/expansion? Yes No

Is off-street parking required? Yes No If yes, give ratio _____

Cost of property \$ _____ Current value \$ _____

Are streets paved? Yes No

Is sidewalk laid? Yes No

What properties or access streets adjoin the church?

What are the setback requirements?

Is site adequately drained? Yes No

Have tests been made to determine if subsurface will permit normal foundation procedures?

Yes No

Enclose pictures of existing structures and neighborhood, drawings, specifications, etc.

What is the value of existing structures? \$ _____

Will the loan be used for remodeling, land acquisition, or construction? Yes No



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Part 4—Title to Property

Who holds the title to the property? _____

Warranty Deed? _____ Other _____

Is Deed recorded? Yes No If yes, when? _____

Title insurance? Yes No

Are there any unpaid taxes, liens, or assessments? Yes No If Yes, please list

If so, what steps are being taken to pay them?

What leases, if any, are currently in effect on the property?



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Part 5—Finance

Attach income and expense statements for last calendar year or fiscal period.

Attach balance sheet for last year-end or fiscal period.

Attach line-item budgets for the past 5 years, plus the current fiscal year.

Pastor's salary package

Total monthly offerings for each of the last 12 months:

	Operating Budget	Building Fund		Operating Budget	Building Fund
January	\$	\$	July	\$	\$
February	\$	\$	August	\$	\$
March	\$	\$	September	\$	\$
April	\$	\$	October	\$	\$
May	\$	\$	November	\$	\$
June	\$	\$	December	\$	\$



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Part 6—Indebtedness

List indebtedness (mortgages, liens, church property, manse, etc.)

To Whom	Date Incurred	Maturity Date	Current Amount	Interest Rate	Monthly Payment Schedule
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Indicate any pre-payment penalty

Does church intend to pay off indebtedness with loan? Yes No

Part 7—Financing the Project

Church Construction Budget (do not include current indebtedness) \$ _____

Amount to be financed \$ _____

Cost of land \$ _____ Market value of land \$ _____

Legal fees, realtors, etc. \$ _____

Architect's fees \$ _____

Site preparation (grading, landfill, etc.) \$ _____

Basic general contract (enclose copy of contract or cost breakdown) \$ _____

Permits \$ _____



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Utility hookup charges

Sewer \$ _____ Water \$ _____

Gas \$ _____ Electric \$ _____

Telephone \$ _____

Final grading, seeding, landscaping \$ _____

Parking lot \$ _____

Walks and steps \$ _____

Furnishings and supplies \$ _____

Insurance \$ _____

All present indebtedness \$ _____

Total cash on hand for the project \$ _____

Additional cash receipts anticipated prior to construction \$ _____

Other (sale of property, etc.) \$ _____

Describe Other _____

Balance needed \$ _____

Amount of loan request \$ _____

Current annual plus anticipated new loan debt service cost \$ _____

List other sources from whom you sought this loan

Is this the primary or supplemental loan? Yes No



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Part 8—Projected Budget Growth for Each of the Next Five (5) Years

Year	20 _____	20 _____	20 _____	20 _____	20 _____
Total Income	_____	_____	_____	_____	_____
Projected Expenditures	_____	_____	_____	_____	_____
Operating Budget					
Salaries	_____	_____	_____	_____	_____
Utilities	_____	_____	_____	_____	_____
Building Maintenance	_____	_____	_____	_____	_____
Insurance	_____	_____	_____	_____	_____
Program	_____	_____	_____	_____	_____
Missions	_____	_____	_____	_____	_____
Miscellaneous	_____	_____	_____	_____	_____
Total Operating Budget	_____	_____	_____	_____	_____
Debt Service (principal + interest)	_____	_____	_____	_____	_____

Part 9—Mission and Vision of Church

State the mission and vision of your church, and how this loan will assist in accomplishing the vision and/or mission of your congregation. Use additional sheet(s) if necessary.