

REVOLVING LOAN FUND POLICY

Loans from the Revolving Loan Fund are available under the following conditions. Approval from Financial Management and the Mission Council are required.

- I. Purposes
 - a. Funds can be loaned for property acquisition, improvements, construction of any new facilities and maintenance of existing property, whether for an existing or new congregation.
 - b. For loans to Presbytery staff who receive 50% or more of their salary through the Presbytery.
 - c. For loans to Presbytery when circumstances warrant it in the judgment of the Financial Management Committee. These loans can be interest free and repaid in five years.

- II. Terms
 - a. Churches that have not paid their per capita shall not be eligible for a loan, unless all prior years are paid. Their operating budgets shall also demonstrate general mission support.
 - b. \$50,000 is the normal maximum to be loaned to any church.
 - c. Interest shall be set at the prime rate plus 2% and accessibility loans at half that rate. The committee is free to negotiate exceptional rates and repayment schedules as needed in a particular case.
 - d. Equal monthly payments on the total amount of the loan shall start with 1st of the month following the date of the loan and shall continue each month until the entire debt is repaid.
 - e. A loan shall be considered delinquent when two payments have been missed. Financial Management shall monitor repayment activity on the loans. It shall be incumbent upon Financial Management to consult with the responsible parties to identify problems and arrange for the payments to be brought up-to-date.

- III. Procedures
 - a. Application can be found on the Presbytery's web site (www.glpby.org) or obtained from the Business Manager. Applicants must allow at least 60 days for application to be processed before funds are needed. The application should describe the funding resources that have been pursued and the results of those applications.
 - b. In every case, promissory notes and Deeds of Trust, whether for 1st or second mortgages, will be required as collateral.
 - c. A copy of the insurance policy shall be provided to show adequate coverage of the mortgaged property is available and also indicating the Presbytery as an additional insured.
 - d. Committee shall endeavor to maintain at least 15% of total loan fund in cash.