

PRESBYTERY CHURCH LOAN GUARANTEE POLICY

Presbytery will guarantee a church loan when the church qualifies for a loan from the General Assembly's Presbyterian Investment and Loan Program for the purpose of building a new church or making a major expansion.

Presbytery will not guarantee a loan from any bank or lending institution other than the General Assembly's Presbyterian Investment and Loan Program.

The lending limit of Presbytery total loans and loan guarantees will be no more than 50% of the net assets of the Presbytery.

No loan guarantee to any one congregation will be more than 20% of the lending limit of 50% of the net assets of the Presbytery at the time the loan guarantee is requested.

The church must contact the General Presbyter and the Moderator of the Committee on Administration to inform him/her of the desire of a loan guarantee.

The church must contact the General Assembly's Presbyterian Investment and Loan Program and ask for a loan application and get their approval for the loan.

The church must come before the Committee on Administration to ask for the loan guarantee, bringing all financial information given to the General Assembly Loan Officer, including the information requested on attached page.

When the church loan is approved by the General Assembly and approved by the Committee on Administration, then the loan must come before the Presbytery of Arkansas for final approval.

This policy is effective October 10, 2008.

CHURCH INFORMATION NEEDED FOR PRESBYTERY LOAN
GUARANTEES AND DIRECT LOANS

Church Financial Information

1. Last three years Financial Reports of Year-end Budgets
2. List of all other assets and funds not included above, such as rental property, land, farms, stocks, bonds, special designated funds, etc.
3. Value of present church building and property
4. List of all outstanding debts and other obligations
5. Last three years contributions to the Presbytery
6. Information about any endowments or foundations and what funds are available from these endowments or foundations

Church Growth Information

1. Total number of members
2. Total average attendance
3. Membership data for the past three years
4. Community population demographics
5. Average age of membership

Building Project Information

1. Cost of proposed project
2. Amount of loan requested
3. Amount and duration of monthly payments
4. Preliminary drawings or basic architect plans
5. Bid summary, if available
6. Amount of capital pledges for project
7. Number of capital pledges from membership

PRESBYTERY SMALL CHURCH DIRECT LOAN POLICY

Direct loans from Presbytery are small loans from our Small Church Loan Fund to qualified churches for repairs or improvements to their facilities.

To qualify for this loan, a church should have 150 members or less and must show a need to be financed by Presbytery.

Interest rates on loans will be 2% above the current federal fund rate, but not lower than 5%.

The maximum amount of a loan will be \$50,000.00 per church.

Loans must be paid off in 10 years or less.

Total loans will not exceed the total amount in the Small Church Loan Fund.

All requests for loans must go to the Committee on Administration for approval.

This policy is effective for loans made after October 10, 2008.