

# PRESBYTERY OF KISKIMINETAS

## Loan Policies

- I. Loans for church buildings, new construction, renovation, or purchase of existing structures:
  - A. For congregations of this Presbytery where there is an established tradition of pledging support for major projects the following criteria shall apply:
    1. The church shall have 1/3 of the total projected cost of the project as cash-in-hand.
    2. The church shall have at least 1/3 of the projected cost of the project secured by a three year congregational pledge program.
    3. The church shall be allowed to negotiate a loan of no more than 2/3 of the total projected cost of the project.
      - a. The loan (mortgage) shall not be for more than 20 years.
      - b. Each year the Trustees of the Presbytery shall review the loan.
  - B. For congregations of this Presbytery where there is no established tradition of financial support through pledging for major projects, the following criteria shall apply:
    1. The church shall have 1/2 of the total projected cost of the project as cash-in-hand.
    2. The church shall be allowed to negotiate a loan of no more than 1/2 of the total projected cost of the project. The criteria listed in I.A.3.a-b above shall apply.
- II. Loans to initiate programs of ministry, community service, or meet emergency human needs: The guidelines for church building loans shall apply with the following exceptions:
  - A. A loan for program support shall not be for more than five years.
  - B. The program shall be self-sustaining or supported by the Session's regular budget within three years of start-up.
- III. Loans for housing to exempt employees of Kiskiminetas Presbytery are subject to the following criteria:
  - A. Loans by the Presbytery to its exempt employees for housing shall normally be a second mortgage, amounting to no more than \$10,000.
  - B. Loans to the staff of Kiskiminetas Presbytery for the purchase of housing shall be reviewed annually at the organizational meeting of the Trustees.
  - C. The rate of interest on such loans shall be 1/2 of the New York Prime Rate at the time the loan was initiated, but not lower than 4%.
  - D. If the New York Prime Rate changes during the year, at the reorganizational meeting, the Trustees will adjust the interest rate on such loans to 1/2 of the prime rate, but not to exceed the stated note rates at the origination of the loan.
  - E. The loan is to be repaid within ten years.
  - F. The loan shall be repaid within six months of termination of employment with the Presbytery or immediately upon sale of the property.
- IV. Exceptions to the above policies will be discouraged, but may be considered by the Trustees on an individual basis where extraordinary circumstances warrant such consideration.

Adopted by Presbytery: December 5, 1992

[NOTE: Item III. B-D adopted by Presbytery action 4/28/92]

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