

Presbytery Church Development Loan Fund revised February 2019.

Terms of Reference

1. The Presbytery's Church Development Loan Fund will only be used for work within the bounds of the Presbytery of Barrie.
2. The fund will provide loans to congregations within the Presbytery of Barrie for the following purposes:
 - a) New building projects;
 - b) Major building additions
3. The fund will not lend monies for any purpose related to church maintenance, or for the support of ministry.
4. Subject to the balance in the fund at the time of request, and any other pending or actual applications, loans may be granted up to the following maximum figures:
 - a) \$100,000 for a new building;
 - b) \$50,000 for a major renovation project.
5. The loans will be for a maximum period of eight (8) years according to the following conditions:
 - a) The loan will be interest free for the first five (5) year period;
 - b) No principal payment is required in years one (1) and two (2);
 - c) A principal payment of one-sixth (1/6) of the total loan is required in years three (3) through eight (8);
 - d) Interest of 2% below prime, but not below zero, will be applied on the outstanding balance years six (6) through eight (8);
 - e) The interest paid will be refunded if the loan is retired at the end of the eight (8) year period;

- f) The balance of any loan not retired by the end of the eighth (8th) year will be subject to interest at the current prime rate, plus one (1) %.
6. Amounts in excess of the maximum loan figures in item four (4) above may be applied for if the following conditions apply:
 - a) The terms specified in five (5) above apply;
 - b) Funds are available;
 - c) No other requests for loans from this fund are pending or anticipated within 24 months;
 - d) Presbytery grants special approval for this additional loan.
7. When applying for a loan from the *Fund*, the congregation must demonstrate that it has 25% of the capital cost of the project as cash on hand.
8. All requests for loans must be accompanied by proof of designated cash on hand, and by copies of documents that support the need for such a loan, and by copies of any other application for funds submitted to the Presbyterian Church Building Corporation or the Lending Funds of the Presbyterian Church in Canada.
9. No grants will be given from this Fund for any purpose.
10. The capital of the Fund will initially be raised from;
 - a) Some of the proceeds received by Presbytery resulting from church closures.
 - b) Special gifts from congregations and individuals within the bounds of the Presbytery.
 - c) The fund to be capped at \$600,000.

11. All applications for loans will be reviewed by the Executive Team (Or its equivalent Committee or Team) who will make a formal recommendation to Presbytery for approval.

12. The Church Development Loan Fund will be administered by the Treasurer of Presbytery, according to the instruction of the Presbytery and the terms laid out in this document.

13. In order to ensure that these terms of reference meet the ongoing needs of the Presbytery, they will be reviewed as a minimum annually by the Executive Team and may be revised by Notice of Motion.

EXAMPLE – PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned for and on behalf of NAME OF CHURCH, CITY/TOWN/RURAL, does hereby promise to pay the sun of

DOLLAR AMOUNT (\$) dollars

To the order of THE PRESBYTERY OF BARRIE Church Development Loan Fund in accordance with the following terms:

The loans will be for a maximum period of eight (8) years according to the following conditions:

- a) The loan will be interest free for the first five (5) year period;
- b) No principal payment is required in years one (1) and two (2);
- c) A principal payment of one-sixth (1/6) of the total loan is required in years three (3) through eight (8);
- d) Interest of 2% below prime will be applied on the outstanding balance years six (6) through eight (8);
- e) The interest paid will be refunded if the loan is retired at the end of the eight (8) year period;
- f) The balance of any loan not retired by the end of the eighth (8th) year will be subject to interest at the current prime rate, plus one (1) %.

SIGNED, SEALED and DELIVERED this (dd,mm,yyyy)

NAME OF CHURCH, ADDRESS, per

(We have authority to bind the Church)