



IN U.M. Loan & Savings Ministry, Inc.

1001 North Western Avenue, Suite D • Marion, Indiana 46952
 765.664.2327 • toll free 866.669.2327 • loanfund@iumlf.org • www.iumlf.org

Loan Application

Please answer all questions and complete all blanks.

PLEASE PRINT

I. Borrower Information	
Legal Name of Borrower	Pastor/Manager
Address	Conference District
Address	District Superintendent
Phone	Church E-mail Address
Fax	Church Federal Employer ID#
Chair, Board of Trustees	Secretary, Charge/Church Conference
Secretary, Board of Trustees	Chair Finance Committee
Date church or entity was organized ___/___/___ Is the church or agency incorporated? <input type="checkbox"/> Yes <input type="checkbox"/> No	

II. Type of mortgage and terms of loan	
Describe your project	
Expected total cost of project \$	How much do you wish to borrow? \$
Will a line of credit be required during "Construction Phase"? <input type="checkbox"/> Yes <input type="checkbox"/> No (Minimum loan \$100,000)	
When do you anticipate needing the money?	
What is your desired amortization period?	

III. Income and Expense Information			
	Current Year Actual-YTD through _____, 20__	Last Year's Actual (20__)	Prior Year's Actual (20__)
Total Debt Balance (if any)			
Total Annual Loan Payments (if any)			
Cash Balances (operating)			
Cash Balances (other)			
Budgeted Revenue			
Budgeted Expenses			
Are Apportionments Paid?			
Total Membership			
Avg. Worship Attendance			
Number of Family Giving Units			

IV. Assets/Collateral		
What property do you wish to be used as collateral?		
Do you have an appraisal of your real estate to be pledged as collateral? <input type="checkbox"/> Yes <input type="checkbox"/> No (usually not required)		
If yes, date of most recent property appraisal: ___/___/___ (Please send a copy)		
	Appraised or Estimated Market Value	Indebtedness Balance
Main Church Site		
Parsonage (s)		
Other Real Property-describe		

V. Pledge Information: Complete section IF pledge drive was done.	
A. Total pledges made by church constituents toward this project	\$
ABOVE TOTAL PLEDGES BROKEN DOWN AS FOLLOWS-	
B. Cash we have already collected on the above pledges	\$
C. Pledges expected to be collected by start of project	\$
D. Pledges expected to be collected by completion of project	\$
E. Pledges expected to be collected by completion of term of note	\$
Total of lines B, C, D & E (must equal line A. above)	\$

VI. Other Resources	
Amount already paid on project (do not include in cash on hand below)	\$
Cash on hand available for this project (as of _____ 20__)	\$
Expected proceeds from sale of real estate to be used for this project	\$
Other sources of funds to be available for this project, (such as grants, etc., explain on a separate sheet)	\$

VII. Additional Documentation	
<p>Also include copies of the following:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Year End Income and Expense Statements (current yr. & last 2 years) <input type="checkbox"/> Annual Budget (current year only) <input type="checkbox"/> Legal description of church property being pledged as collateral. <input type="checkbox"/> Last Report of Annual Audit (as reported to DS) 	<p>Provide the following, if required*</p> <ul style="list-style-type: none"> <input type="checkbox"/> Signed Charge Conference Action* <input type="checkbox"/> Signed Consent of Dist. Superintendent* <input type="checkbox"/> Signed Recommendation of Dist. Board of Location & Buildings*
<p>*According to UMC Discipline Par. 2543, the forms marked by asterisk are required if any local church desires to:</p> <ul style="list-style-type: none"> a. build a new church, a new educational building, or a new parsonage; b. purchase a new church, a new educational building, or a new parsonage. c. remodel an existing church, an existing educational building, or an existing parsonage- <ul style="list-style-type: none"> • where the cost of the remodeling will exceed 10% of the value of the existing structure, the signed Charge Conference Action and Consent of District Superintendant are required • where the cost of the remodeling will exceed 25% of the value of the existing structure, all three are required. 	

Signatures required:

_____ Date

_____ Person Preparing Application

_____ Pastor



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CERTIFICATION OF CHARGE/CHURCH CONFERENCE ACTION

of

The _____ United Methodist Church, Inc.

The undersigned certifies that at a meeting duly called, the Charge/Church Conference of _____ United Methodist Church (the "Church") met on _____ 20 _____, and by a majority vote of its members present and voting, the following resolutions were adopted:

RESOLVED, that the Board of Trustees of the _____ United Methodist Church in its name are authorized and directed to borrow money from the Indiana United Methodist Loan Fund, Inc., an agency of the United Methodist Church, not to exceed the amount of \$ _____ for the purpose of _____ and to secure repayment of the same by mortgage or deed of trust lien upon property of the Church described as follows (legal description; if too lengthy, attach and mark as "Exhibit One"):

RESOLVED, further that the Board of Trustees, through the following officer(s), are authorized and directed to accomplish said loan and to execute in the name of the Church, applications, notes deeds of trust, and other instruments in writing upon terms and conditions in accordance with law and the Discipline of The United Methodist Church of 2008 as they may determine necessary and proper to give effect to the intent and purpose of these resolutions:

Persons authorized to sign for Board of Trustees-

Position/title

Name (print or type)

Position/title

Name (print or type)

Attested by Recording Secretary _____

Name (print or type)

Signature

The undersigned as duly authorized officers of the Board of Trustees of _____ United Methodist Church request that a loan be granted in the amount of \$ _____, and certify to the accuracy of the facts stated above.

Name (print or type)

Title

Signature

Name (print or type)

Title

Signature



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CONSENT OF THE DISTRICT SUPERINTENDENT AND PASTOR

The undersigned individuals, as District Superintendent of the _____
District of the United Methodist Church, _____ Indiana Conference in which the _____
_____ United Methodist Church of _____ is located and
as Pastor appointed to said church, certify that we have examined the forgoing application and, pursuant to
Paragraphs 2539, 2540 and 2541 of the Discipline (2008) of the United Methodist Church and consent and
recommend that a loan of \$ _____ be granted to the _____
United Methodist Church. The mortgage shall have priority over any trust provision set forth in the instrument
pursuant to which said organization acquired title to the real estate mortgaged to Indiana United Methodist Loan
Fund, Inc., and that such trust provision shall be subordinate to the mortgage.

Date: _____

Signed _____
District Superintendent

Type or Print Name _____

Date: _____

Signed _____
Pastor

Type or Print Name _____



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RECOMMENDATION OF THE DISTRICT BOARD OF LOCATION AND BUILDINGS

At a meeting of the District Board of Location and Buildings held on _____, 20_____.

The _____ District Board of Location and Buildings recommended that a loan of
\$_____ be granted to the _____
United Methodist Church.

Date: _____ Signed _____
President of District Board

Type or Print Name _____

Date: _____ Signed _____
Secretary of District Board

Type or Print Name _____

IN U.M. Loan & Savings Ministry, INC.

LOAN POLICIES SUMMARY

A. PURPOSE OF LOAN FUND

The IN U.M. Loan & Savings Ministry, Inc. (Loan Fund) is affiliated with the North Indiana United Methodist Foundation, Inc. (Foundation). The Loan Fund makes loans secured by real estate for the purpose of purchasing, constructing, expanding and refinancing churches, parsonages and other facilities of United Methodist churches and agencies of the Indiana Conference of The United Methodist Church. The Fund is financed through equity capital contributions of the Foundation and through deposits by United Methodist churches and agencies in Indiana, and U.M. individuals in Indiana, Illinois, Kentucky, Arizona, Florida, Hawaii, North Carolina and Texas.

The business strategy of the Loan Fund is to promote the growth and development of the United Methodist Church by making loans to creditworthy borrowers. The desires of the investors are to promote church growth, as evidenced by their investments. This will allow the Fund to make loans at interest rates equal to or below those charged by commercial banks and other institutional lenders.

The overall stability of the Loan Fund is dependent on the creditworthiness of its borrowers and the value of the collateral pledged to secure the loans. Loans are made pursuant to the Loan Policies and Procedures of the Loan Fund Board of Directors. In general, the loans are based on documentation typical of other commercial lenders.

B. LOAN PRIORITIES

The Loan Fund Board has established loan guidelines and a review process. Loan application requirements are outlined below. Each loan request will be evaluated on its own merit and credit worthiness.

C. LOAN GUIDELINES

The following guidelines will be used by the Loan Committee as they make loan decisions. The Loan Committee may opt to waive certain guidelines, depending on the circumstances.

1. No more than 20% of the total Loan Fund deposit assets will be loaned on any one loan. Call to check on the current maximum loan amount.
2. The minimum loan size is \$5,000.
3. The normal maximum amortization period for a loan is 20 years. The Loan Fund Board may approve a longer amortization at their discretion. Please check with your District Superintendent or Chair of Board of Church Location and Building for your district's policy on terms.
4. Loans are considered on a first come, first serve basis when funds are available, as evidenced by the "date received" stamp on the application.

IN U.M. Loan & Savings Ministry, INC.
LOAN POLICIES SUMMARY

5. Upon approval of a loan application, management will issue a “Loan Commitment Letter” to the applicant. This letter will commit the Loan Fund to making the loan for the stated amount, terms and interest rate for a period of up to sixty (60) days from the date of issue. This letter must be accepted by applicant within thirty (30) days from date of issue to be binding.
6. If the approved loan is a “construction loan” (providing for periodic draws during construction) the initial construction draw shall be made within 60 days from the date of our commitment letter, and the final draw shall be made within twelve (12) months of commitment date, unless other terms are agreed to by our Board.
7. The Borrower will be charged a modest loan closing charge designed to cover our costs for a judgment and lien search, normal document preparation, mortgage recording, mortgage release, and other related services. Our loan closing charge is substantially less than costs incurred with other commercial lenders since we normally do not require a formal appraisal, survey, lenders title insurance or an environmental audit. We also do not charge points or other fees. Our low closing costs usually save borrowers several thousand dollars.

Our Board may require some borrowers to provide other items at their expense. Those items could include one or more of the following:

- Owner's title insurance (required if purchasing new property)
- Lenders title insurance
- Title search
- Quit claim deed from owner of adjacent property
- Appraisal
- Performance Bond or letter of credit from contractor.
- Land survey
- Environmental audit
- Flood Insurance

In addition, if unusual circumstances require us to incur additional legal fees for document preparation, those charges will be passed on to the borrower.

D. SECURITY FOR LOANS

Loans will be secured by a first mortgage, or in limited circumstances a second mortgage, on real estate owned, purchased, constructed, renovated or refinanced.

Loans may be made to a church whereby the church pledges its own, or its members, Loan Fund deposit accounts as collateral. If church or member deposit accounts are collateralized, the investors cannot withdraw principal of the account until the loan is paid off. In such cases, the loan interest rate may be less than for other mortgage backed loans.

IN U.M. Loan & Savings Ministry, INC. LOAN POLICIES SUMMARY

In most cases the Loan Fund will not require a formal appraisal, but properties may be inspected by Loan Fund staff. It is the policy of the Loan Fund to require that the value of the property securing a loan exceed the principal amount of the loan by at least 20%. That is, we will only loan 80% of the value of the pledged collateral.

E. LOAN APPLICATIONS

The Loan Committee evaluates loan applications in accordance with the following procedures:

1. The Loan Application Form and supporting materials is to be completed and submitted to the Loan Fund office prior to formal consideration of a loan request.
2. Additional materials to be submitted include, but are not restricted to:
 - a. A project description, purpose, and a copy of contracts and commitments, which have been entered into at that time;
 - b. If required by paragraph 2534 of the Book of Discipline (2008), the following documents:
 - Certification of Charge/Church Conference Action – (form included)
 - Consent of the District Superintendent and Pastor – (form included)
 - Recommendation of District Board of Location and Buildings – (form included)
 - c. Financial statements, including balance sheets, and income and expense statements for the current year and the two preceding years;
 - d. Current year budget or cash flow forecast;
 - e. The consent of proper governmental authorities, such as zoning, building, and inspection;
 - f. The capital funds drive results if any, including total pledges and payout time line;
 - g. Other information, data, and materials as requested by the Committee.

F. INTEREST RATES AND COSTS

1. The current published base interest rate for mortgage loans can be obtained by contacting the Loan Fund Office. This rate is subject to periodic review and modification by the Loan Fund Board of Directors. The interest rate for a loan cannot be guaranteed until the loan application has been approved by our Loan Committee or Board. At that time, we will issue a commitment letter outlining all terms of the approved loan, including the approved interest rate.

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LOAN POLICIES SUMMARY

2. The interest rate for all loans is a variable rate subject to adjustment every three years. That is, the rate will remain constant for three years then adjusted to the then current rate. Thereafter, the rate will be adjusted each three years. Other adjustment terms and rates are available.
3. The interest rate during the construction phase of a project will be a fixed rate for the term of the construction period. This interest will be computed on simple interest with interest computed to date of receipt of payment. Interest only is payable during the construction phase of the project. A construction loan will be converted to an amortized loan upon completion of the construction project.

G. CLOSING REQUIREMENTS

1. A certificate of resolution by the Board of Trustees or Board of Directors of the borrower, which resolution accepts the terms of the Letter of Commitment from the Loan Fund, authorizes the borrowing of funds, authorizes the mortgaging of the real estate, designates the officers of the borrower to execute the promissory notes and mortgage, and such other matters as requested by the Loan Fund.
2. Shortly before disbursing proceeds of an approved loan, management will obtain a judgment and lien search on the property to be mortgaged. Such lien search shall satisfactorily reflect no prior outstanding liens against the property other than those to be satisfied with the proceeds of the new loan.
3. Evidence of appropriate and adequate insurance on the real estate and improvements thereon subject to the Loan Fund mortgage, which insurance coverage shows the Loan Fund as an additional insured party during the term of the loan.

H. LOAN REPAYMENT

1. A single monthly payment of interest and principal will be due and payable each month for amortized loans.
2. Borrowers will be provided with payment coupons which indicate the date and amount of each payment due.
3. A single monthly payment of interest only shall be due and payable each month for construction loan notes, beginning the month following the first disbursement.
4. There are no prepayment penalties; however, prepayments on principal may be made only at the time of the regular monthly payment. Any partial prepayment of principal will not relieve the borrower of their requirement to make the required monthly payments as scheduled. If the borrower wishes to refinance their loan in order to obtain a lower rate of interest, whether through the Loan Fund or another lender, they will be subject to refinance penalties.