

Presbytery of the Coastlands
Trustee Policy on Loan Requests and Guarantees
APPROVED: April 20, 2022

The Trustees recognize that entities within the Presbytery of the Coastlands will seek funding through loans from time to time. This policy seeks to list what the Trustees require in order to perform due diligence prior to responding to requests to approve or guarantee loans. The Trustees meet regularly to consider multiple matters and will need sufficient time to give full consideration to the request.

Examples of loans that might require Trustee approval may include, but are not limited to:

- Presbyterian Investment & Loan Program (PILP) loans
- Mortgages
- Other encumbrances on real property such as church buildings, manses/parsonages, or program facilities

This policy is intended to encourage open communication and set reasonable expectations. The requesting entity and the Trustees should feel free to exchange information and ask questions throughout the loan application process. The requesting entity and the Trustees should bear in mind that any recommendations and actions must take place in accordance with Presbytery bylaws and PC(USA) polity. The policy sets expectations for applicants and the Trustees, but need not create delay where none is needed.

1. An entity within the Presbytery of the Coastlands that wishes to seek a loan shall contact the Trustees while in the early planning stage of the application with estimates or drafts of the:
 - 1.1. Purpose of the loan application
 - 1.2. Proposed loan amount
 - 1.3. Total cost of project
 - 1.4. Interest rate
 - 1.5. Term of loan
 - 1.6. Monthly payment
 - 1.7. Church or applying entity's leadership, such as Pastor, Clerk of Session, and President of Trustees, with contact information
 - 1.8. Church membership, or estimate of applying entity's adherents
 - 1.9. Worship attendance, or similar measure of regular participation
 - 1.10. Repayment plan
 - 1.10.1. If using a capital campaign, indicate:
 - 1.10.1.1. the campaign goal
 - 1.10.1.2. the start and end dates
 - 1.10.1.3. how much has been pledged thus far
 - 1.10.1.4. how much has been received thus far

- 1.10.2. If using another repayment plan, indicate:
 - 1.10.2.1. when funds will be available
 - 1.10.2.2. the repayment schedule
- 1.11. Financial reports
 - 1.11.1. Three (3) years of financial reports that have been audited or reviewed in accordance with the Book of Order, G-3.0113.
 - 1.11.2. Financial statements for the current year-to-date (YTD).
2. The Trustees shall meet to consider the financial implications of the proposed loan request.
 - 2.1. The Trustees shall ordinarily consider the application at their next regularly scheduled meeting, following the applying entity's provision of all documents specified in Section 1.
 - 2.2. The Trustees shall determine:
 - 2.2.1. whether sufficient time is available at the next regularly scheduled meeting to consider the request.
 - 2.2.2. if it would be appropriate to call a special meeting of the Trustees to consider the request.
 - 2.2.3. whether they should invite representatives of the requesting entity to attend a Trustees meeting, supply further information, or both.
 - 2.3. Following due consideration of the financial implications, the Trustees shall respond to the entity requesting the grant with a decision or a request for more information.