



MORTGAGE/LOAN APPLICATION INSTRUCTIONS

1. Complete the application as thoroughly as possible.
2. All forms should be signed by the appropriate people, to include the District Superintendent and the District Board of Church Location and Building.
3. Use the “**Borrower’s Checklist**” (attached) to assist in completing the application process.
4. Address all correspondence to:

Mrs. Terri H. Turner, Executive Director
Alabama-West Florida United Methodist Development Fund, Inc.
P. O. Box 8066
Dothan, Alabama 36304
foundation@alwfumf.org
334-793-6820 Tel
334-794-6480 Fax



BORROWER'S CHECKLIST

DATE COMPLETED

1. Complete *application* and submit to our office at the address shown. _____
2. Provide *names of Officers* authorized by Board of Trustees to sign mortgage and promissory note. _____
3. Provide *legal description* of the property to be mortgaged. _____
4. Provide *Title Insurance policy* (if applicable) in the name of:
Alabama-West Florida United Methodist Development Fund, Inc. _____
5. Obtain *Builder's Payment and Performance bond* (if applicable). _____
6. Once approved, obtain authorized signatures on Mortgage and Promissory Note. _____
7. Take original Mortgage to your local courthouse for recording. _____
8. Return the *original recorded* mortgage and promissory note to our office. _____
9. Have Mortgagee added to your Property Insurance policy as follows:
Alabama-West Florida United Methodist Development Fund, Inc.,
PO Box 8066, Dothan, Alabama 36304. _____



LENDING GUIDELINES

- It is generally not appropriate for loans to be requested solely for the purpose of obtaining a lower interest rate than that charged by other loan sources. It is our policy that all loan applicants with the exception of new churches constructing their first unit are to explore several funding options. Diligent efforts are to be made by the church to accomplish this.
- Before a loan is approved, a financial canvass by the borrowing congregation must be conducted and bona fide pledges, payable over two or three years, must be secured in an amount equal to the total of at least 2 or 3 years of the amortization schedule.
- A minimum of 10% of the total cost of the proposed project should be secured in a separate building fund account and cash in hand equivalent to twenty-five percent (25%) of the total proposed project prior to the disbursement of funds.
- The following priorities shall be followed by the board:
 - a. New congregations financing the first unit or parsonage.
 - b. Congregations meeting one of the following requirements:
 - congregations less than seven (7) years of age
 - congregations being relocated
 - ethnic minority local churches
 - congregations experiencing redevelopment
 - congregations experiencing rapid growth
- All loan applications must be approved by the District Board of Church Location and Building as well as recommended by that Board to the Alabama-West Florida United Methodist Development Fund's Board of Directors.
- When the amount of the loan exceeds the amount suggested in the guidelines of the Alabama-West Florida United Methodist Development Fund, Inc., the District Board of Church Location and Building (or its equivalent) must guarantee the loan. This means that if the local church defaults (i.e. is 90 days delinquent in payment), the District Board must assume payment of the guaranteed loan.
- The Development Fund Board will defer formal consideration of loan requests until the official application has been completed and submitted to its Executive Officer. Completed application including all signatures must be submitted to the Executive Director by June 1 or December 1 prior to the Board's semi-annual meeting, unless otherwise approved.
- If a church with an existing loan with the Annual Conference requests additional loan funds, the existing loan must be incorporated into the new loan at the current interest rates and terms.
- Before the Board can approve a loan there shall be a visit to the project by an authorized representative of the Board or the Board must receive a copy of the architectural plans for the project.

- The recommended period for any loan shall be 10 years or less and the maximum period shall not exceed 15 years.
- Unless otherwise approved by the Development Fund Board at the time the loan is granted, all loans must be secured by a first mortgage. At the time of closing, in addition to the note and mortgage, the borrowing church shall furnish an acceptable mortgagee's title policy or clear title opinion indicating that the Board's loan is a valid lien on the property. If the loan proceeds are to be disbursed as a construction loan, a Builder's Payment and Performance Bond shall be furnished.
- The Committee shall not consider a loan if more than 30% of the total income of the church will be required to meet the amortization schedule. Preferably the debt ratio should be less than 25%. This requirement may not apply to new churches constructing their first unit.
- If applicable, a Phase I Environmental Study must be completed prior to the commencement of the project, and if any problems are identified, a Phase II Study will also be required.
- Borrowing churches shall submit updated financial information to the Committee if the formal loan application was completed more than 90 days before the date of its consideration.
- When the funding of a project includes the use of Conference, National, District donations and/or other funds in addition to the proceeds of the loan granted, loan proceeds will be advanced after all other funds have been applied.
- Unless there are extenuating circumstances, a loan shall be utilized within six (6) months of the date of its granting and a letter of commitment sent to the Board's Executive Officer stating the date drawing of the loan is desired.
- The initial rate of the loan will be set at the time of closing based on the current rate established by the fund's Board of Directors. The interest rate will then adjust annually (on the anniversary date of the loan) to the current rate offered to new loans by said Board.
- Upon approval of the loan by the UM Development Fund Board, the following loan documentation must be provided before loan documents can be completed:
 - A copy of the builder's payment and performance bond
 - A copy of the legal description of the property
 - Lender's clear title policy
 - Listing of authorized signers for the note and mortgage
 - Certificate of Occupancy from the architect (when applicable)
- Once all documents have been executed, the mortgage should then be recorded at the local courthouse and the original recorded copy returned to the UM Development Fund.
- The Alabama-West Florida UM Development Fund should be added as mortgagee on the property insurance policy, and Evidence of Coverage should be provided. Copies of renewed insurance policies are to be provided annually.
- Updated financials are required annually for the entire duration of the loan to be submitted within 90 days of the borrower's fiscal year end. If loan amount exceeds \$500,000, updates will be required quarterly. Failure to provide this information may result in default.

ALABAMA-WEST FLORIDA UNITED METHODIST DEVELOPMENT FUND, INC.
P. O. BOX 8066
DOTHAN, ALABAMA 36304
334-793-6820/FAX 334-794-6480

APPLICATION FOR LOAN

FROM ALABAMA-WEST FLORIDA UNITED METHODIST DEVELOPMENT FUND, INC., for a loan to the undersigned United Methodist Church.

Date _____

Church Name	Pastor & Phone #
Address	District Superintendent & Phone #
(____) _____	Contact Person & Phone
Phone	Mortgage Insurance Agency & Phone
County _____	Email: _____

Type of Project: _____

Estimated Total Cost: _____

The Church now has the following resources to apply to above cost:

Cash on Hand at _____, 2018..... \$ _____

Donations/ grants from District or Conference..... \$ _____

Pledges already received on above project \$ _____
(Received from how many donors? _____)

Other gifts (specify): _____ \$ _____

Total Resources To Be Applied..... \$ _____

DIFFERENCE TO BE BORROWED.....\$ _____

Term of Years To Be Borrowed (Not to exceed 15 years)..... _____

Date of Anticipated Need*..... _____

*** First withdrawal must be made within 90 days from the date of approval.**

I. GENERAL INFORMATION

Year church was organized _____ Present Membership _____
Average Attendance Sunday Worship Service(s) _____
Church School Enrollment _____ Average Church School Attendance _____
Is the church incorporated ____ Yes ____ No

Corporate Name: _____

Increase/Decrease in Church Membership for Previous Years:

2015 _____ 2016 _____ 2017 _____ Current minister's tenure ____ Yrs.

II. FINANCIAL INFORMATION

*****Note: Current financial information will be required annually for the term of the loan/mortgage.*****

Amount expensed during the past three years for:	2015	2016	2017
---Pastor(s) salary and travel expenses.....	\$ _____	\$ _____	\$ _____
---Building fund and debt retirement.....	\$ _____	\$ _____	\$ _____
---Current expenses (including Church School)...	\$ _____	\$ _____	\$ _____
---Property improvement.....	\$ _____	\$ _____	\$ _____
---World Service and all other benevolences.....	\$ _____	\$ _____	\$ _____
---All other Conference apportionments.....	\$ _____	\$ _____	\$ _____
---All other expenses.....	\$ _____	\$ _____	\$ _____
TOTAL EXPENSES.....	\$ _____	\$ _____	\$ _____
GENERAL BUDGET RECEIPTS.....	\$ _____	\$ _____	\$ _____
Difference (+/-).....	\$ _____	\$ _____	\$ _____
List Other Receipts.....(Bldg., Cap. Funds)	\$ _____	\$ _____	\$ _____

III. APPORTIONMENT HISTORY

Please tell us about your connectional commitment by providing us with your institution’s apportionment history over the last 5 years. If less than 100% for the past 5 years, please submit an explanation on a separate sheet with the loan application:

<u>YEAR</u>	<u>PERCENTAGE PAID</u>	<u>AMOUNT PAID</u>
Current Year		
1 st Previous Year		
2 nd Previous Year		
3 rd Previous Year		
4 th Previous Year		

IV. PROPERTY VALUES

Church Site.....\$ _____	Indebtedness\$ _____
Church Buildings.....\$ _____	Indebtedness\$ _____
Parsonage.....\$ _____	Indebtedness\$ _____
New Site.....\$ _____	Indebtedness\$ _____
Other real property..... \$ _____	Indebtedness\$ _____

If loan is for new construction, please attach a copy of the building/improvement plan and specifications and either a copy of the construction contract or estimate of cost if work is not done by a contractor. If estimate is used, include details showing how the estimate was figured.

Chair, Church Council

Chair of Finance Committee

Chair, Board of Trustees

V. REPAYMENT PLANS

A Capital Funds Campaign was conducted _____, 20__, and _____ pledges were secured for a total of \$_____ payable during the period _____, 20__ through _____, _____. (Amount of pledges must be equal to the total of at least two years of the loan amortizations. As of _____, _____ the total amount received on these pledges was \$_____.

Another capital funds campaign will be held _____, _____ to secure additional pledges for debt retirement.

Chair, Church Council

Secretary, Church Council

Date _____

**Please attach short summary of results on previous capital campaigns held.

VI. CERTIFICATIONS AND ACTIONS

CERTIFICATION OF CHURCH CONFERENCE ACTION

This certifies that the Church Council of the _____ United Methodist Church, located in the _____ District of the Alabama-West Florida Annual Conference meet on the ____ day of _____, 2018, adopted and included in its official minutes the following Resolution:

"BE IT HEREBY RESOLVED, that the Trustees or other proper officers of the _____ United Methodist Church be and are hereby authorized and empowered to secure a loan from the Alabama-West Florida United Methodist Development Fund, Inc. in the amount not to exceed \$ _____ for the purpose of _____.

And to secure the repayment of the same by the execution of a note, and a mortgage or deed of trust upon the property (if required), upon such terms and conditions as may be agreed upon between said trustees and/or officers and the Alabama-West Florida United Methodist Development Fund, Inc.

Given under my hand this ____ day of _____, 2018.

Secretary, Board of Trustees

Secretary, Church Council

CERTIFICATION BY PASTOR AND DISTRICT SUPERINTENDENT

I hereby certify that I have examined the statements given in this application and that to the best of my knowledge they are factual and correct. As a representative of the _____ District and the Alabama-West Florida Annual Conference, I give consent to the building project, purchase proposal, remodeling project, or refinancing described in this application. This church paid _____% of apportionments last year.

Amount Recommended \$ _____ Amount Recommended \$ _____

Signed (Pastor) _____ Signed (D.S.) _____

CERTIFICATION BY DISTRICT BOARD OF CHURCH LOCATION AND BUILDING

After reviewing the financial and construction plans for the project, the Board of Church Location and Building of the _____ District authorizes and recommends the Board of Trustees of _____ Church to proceed with the loan application process.

President, District Board

Secretary, District Board

The Alabama-West Florida Development Fund determined that the amount of the loan exceeds its guidelines for normal church indebtedness; therefore the District Board took further action to guarantee repayment of the loan. .

President, District Board

District Superintendent

****CERTIFICATION OF ACTION BY THE LOAN COMMITTEE**

Acting on Behalf of the Board of Directors of the ALABAMA-WEST FLORIDA UNITED METHODIST DEVELOPMENT FUND, INC., This is to certify that the Loan Committee of the Alabama-West Florida United Methodist Development Fund, Inc. hereby grants a loan in the amount of \$ _____ to the _____ United Methodist Church upon the following terms:

Interest Rate _____ Number of Years _____

Frequency of Payments _____

First Principal Payment Due _____, 20____

President

Executive Director

Date

Date

**To be completed by U.M. Development Fund office.

LOAN ARRANGEMENTS

1. Attorney: Give name and address of attorney who will represent the church in the review of prepared legal documents:

Name: _____

Address: _____

Telephone: _____

2. Name of person who should receive statements and all correspondence on the loan account and who will remit payment of principal and interest:

Name: _____

Address: _____

Telephone: _____