



# Community of Christ

## **HOUSES OF WORSHIP REVOLVING FUND LOAN**

Karen E. Minton, General Counsel  
Marsha Brown, Paralegal, Legal Services  
1001 W. Walnut  
Independence, MO 64050  
816/833-1000 Ext. 2221  
816/521-3099 Fax

Revised June 18, 2015

**BUILDING PROGRAM PROCEDURES & GUIDELINES**  
**for**  
**HOUSES OF WORSHIP REVOLVING FUND LOANS**

I	Houses of Worship Revolving Fund Loan.....	3
	1. Loan Terms & Incentives	
	2. Requests for Draws	
	3. Houses of Worship Revolving Fund Loan Application.....	5-6
II	Capital Campaign.....	7
	1. Phases of a Capital Campaign	
	2. Commitment Phase	
	3. Follow up Phase	

## HOUSES OF WORSHIP REVOLVING FUND LOANS

If funds are needed to assist in the purchase of a property a Houses of Worship Revolving Fund Loan (HWRF) can be applied for. A loan application will need to be completed and sent to Mission Center Officers and Legal Services, along with minutes and necessary approvals. The World Church is the only authorized lender for any congregation seeking a loan as part of the financing plan for a building program. **Outside loans that would cause a lien to be placed on the property are not permitted.** By keeping all loans "in-house" we avoid any possibility of a loan being called or foreclosed by others.

### **1. LOAN TERMS AND INCENTIVES**

HWRF loans are made to Campgrounds, Congregations, Emerging Congregations and Mission Centers for purchases of property. Although emerging congregations may accept responsibility for repaying HWRF loans, it is understood that the sponsoring Mission Center must accept contingent liability for the loan should the congregation be unable to repay on schedule. In effect, the sponsoring jurisdiction must "co-sign" a HWRF loan to an emerging congregation.

**The maximum loan available for purchases is up to two-thirds (2/3) of the total purchase price.**

Loans \$200,000 and over require further review and approval by the Presiding Bishopric. Approval of each loan is based on the following criteria:

- 1.1 Availability of Houses of Worship Revolving Funds.
- 1.2 Demonstrated ability to repay the loan, including the completion of a Capital Campaign, if necessary.
- 1.3 Availability of proceeds from the sale of existing property (where applicable) to the borrowing entity's equity.
- 1.4 Disclosure of congregational planning, financial and growth performance, and compliance with the procedures outlined in this document.
- 1.5 Placement and maintenance of the congregational insurance program within the World Church Insurance Program.
- 1.7 Full compliance with the approval process designated by the Presiding Bishopric.

The repayment period on new loans is:

loans under \$15,000.00 - 5 years

loans \$15,000.00 and over - 15 years

loan terms over 15 years MUST be approved by the Presiding Bishopric.

Interest rates for loans will be set by the Presiding Bishopric as of January 1<sup>st</sup> of each year. The annual rate is a variable rate, indexed to a market rate. Interest rates for all outstanding loans will be adjusted at that time, with the new rate affecting the February payment (interest is paid in arrears).

To allow for congregational budget planning, the monthly payment amount for regular loans will be calculated at 6.5%. Interest will be charged and calculated as explained above, and the allocation of principal and interest for each payment can be viewed on the following month's statement. In this way, when the annual rate is lower than 6.5%, congregations will enjoy the benefit through a faster amortization and quicker repayment period.

Loan payments will be electronically withdraw from the congregation's bank account on or near the payment due date each month. The congregation will need to provide to World Church the banking information necessary to effect this transaction and authorize this transaction with their bank as necessary.

In projects where a HWRF loan is part of the financing plan, local funds will be utilized first to meet project costs, including any funds held in the Affiliate Investment Pool. When the final draw is made of the loan a Promissory Note will be prepared and shall be signed by the Pastor and Congregational Financial Officer, if the purchase was by a Congregation; or by the Board Members if the purchase was by a Campground; or Mission Center Officers if the purchase was by a Mission Center.

Interest on HWRF loan proceeds released during construction will accrue at the annual rate set by the Presiding Bishopric in accordance with the procedure outlined above. Interest-only payments will be due

30 days after the first draw, and monthly thereafter until the final note is signed.

## **2. REQUESTS FOR DRAWS**

Requests for draws shall be in writing, and may be faxed (816/521-3099) or e-mailed (mbrown@cofchrist.org) with supporting documentation to accompany each request. When requesting draws by fax or e-mail the original request must follow by regular mail. Requests for draws may come from either the Pastor or Congregational Financial Officer for a congregation, or Board President or Financial Officer in the case of a campground or association.

With each draw requested an Interim Note will be prepared and sent to the Congregation for signature. The Interim Note secures the amount drawn against the loan. Each Interim Note must be signed and returned to Legal Services before the next draw can be processed. Once all funds have been drawn the Interim Notes will be replaced by a Promissory Note.

*NOTE: Please allow 7 to 10 business days for processing requests for draws.*

**HOUSES OF WORSHIP REVOLVING FUND LOAN APPLICATION**

Complete the information below and send one original to the appropriate Mission Center officers and one original to:

Marsha Brown, Paralegal  
Legal Services/Community of Christ  
1001 W. Walnut  
Independence, MO 64050

Submitting this loan application will initiate the loan process. All legislative and administrative approvals must be received in Legal Services prior to final approval of the loan application. Please refer to Section II, Approval Process for Building Program of the Procedures & Guidelines for Building Program.

This document may be printed then mailed, or filled out as a worksheet and attached to an e-mail to mbrown@cofchrist.org.

**IDENTIFICATION**

Congregation/Campground: \_\_\_\_\_

Mission Center: \_\_\_\_\_

**PURPOSE/INTENT, NEED FOR BUILDING (mission, vision, program):**

**ESTIMATED COST OF PURCHASE**

Purchase price (vacant land or building) \_\_\_\_\_

(NOTE: Congregation must have 1/3 of the total purchase price available as cash on hand.)

**RESOURCES AVAILABLE - CASH ON HAND**

Savings/Checking \_\_\_\_\_  
Affiliate Pool Account # \_\_\_\_\_  
Affiliate Pool Account # \_\_\_\_\_

TOTAL RESOURCES AVAILABLE \$ \_\_\_\_\_

SPECIAL COMMENTS regarding cash on hand:

**HOUSES OF WORSHIP LOAN**

Amount of funds requested

\$ \_\_\_\_\_

**ESTIMATED EFFECT OF PURCHASE ON BUDGET**

Annual increase (decrease) in utilities \_\_\_\_\_

Annual increase (decrease) in insurance \_\_\_\_\_

Annual increase (decrease) in maintenance \_\_\_\_\_

Other increases \_\_\_\_\_

\*Repayment to HWRF Loan (monthly) \_\_\_\_\_

PROJECTED INCREASE IN BUDGET \$ \_\_\_\_\_

\*(Contact Legal Services to obtain estimated monthly payment for HWRF loan.)

**PRELIMINARY FINANCIAL INFORMATION FOR LAST FIVE (5) YEARS**

TOTAL ENROLLMENT \_\_\_\_\_ ACTIVE FAMILIES \_\_\_\_\_

AVERAGE ATTENDANCE \_\_\_\_\_ CONTRIBUTING WAGE EARNERS \_\_\_\_\_

**CONTRIBUTIONS/INCOME FOR LAST THREE (3) YEARS:**

20\_\_ 20\_\_ 20\_\_ .

Operating Fund: \_\_\_\_\_ | \_\_\_\_\_ | \_\_\_\_\_ |

Building Fund: \_\_\_\_\_ | \_\_\_\_\_ | \_\_\_\_\_ |

TOTALS: \_\_\_\_\_ | \_\_\_\_\_ | \_\_\_\_\_ |

**WILL THERE BE A CAPITAL CAMPAIGN \_\_YES\_\_ \_\_NO**

Length of Campaign: \_\_\_\_\_ Families Contacted: \_\_\_\_\_ Families Committed: \_\_\_\_\_

Amount expected to be received prior to construction/purchase: \$ \_\_\_\_\_

Amount expected to be received during campaign: \$ \_\_\_\_\_

HWRF Loan Application Dated: \_\_\_\_\_

HWRF Loan Application prepared by: \_\_\_\_\_ (Print)

\_\_\_\_\_ (Signature)

\_\_\_\_\_ (Title)

**MISSION CENTER APPROVAL:**

Mission Center: \_\_\_\_\_

Approved by Mission Center President: \_\_\_\_\_

Date Approved: \_\_\_\_\_

Approved by Mission Center Financial Officer: \_\_\_\_\_

Date Approved: \_\_\_\_\_

## **II. CAPITAL CAMPAIGNS**

A Capital Campaigns is an intensive effort to raise a significant amount of money in a relatively short period of time in order to fund a major capital project. The most common type of capital campaign is a campaign to finance a new building or significant addition to the present facility.

Although everyone is invited to participate in a capital campaign, a congregation's member families may likely be in different life stages. Some families may have income to give, but few assets, and so be able to give some amount each month. Other families may not have much income, but might have significant assets, and so be able to give a lump sum now. Congregations typically request commitments in both forms, that is, how much can you give today, and how much each month for the duration of the campaign.

The Funding for Mission Office has material available for congregations wishing to undertake this process. Please call 1/800/884-7526 or send an e-mail to [funding@cofchrist.org](mailto:funding@cofchrist.org) to request this information.

Capital campaigns usually involve the following steps:

### **PHASES OF A CAPITAL CAMPAIGN**

#### **1. Planning Phase**

- 1.1. Plan all aspects of the campaign thoroughly with the consensus of the Mission Center Financial Officer and the building committee and pastoral team.
- 1.2. Select the capital campaign committee and committee chair from a broad-based pool of respected persons in the congregation
- 1.3. Project the cost of the project and build a funding plan consisting of cash on hand, assets to be sold and pledges over a specific number of years. Be sure to carefully consider the impact that the debt repayment will have on future programming ministries.
- 1.4. Insure the project scope is within the financial means of the membership
- 1.5. Develop a purpose statement making the vision clear to the members: use artist's drawings, brochures, information sheets, etc.
- 1.6. Provide adequate time between the presentation and commitment phase for questions and clarification.
- 1.7. Train those who will go on visits, and allow them to commit first so that their visits take on a "testimonial" nature.

#### **2. Commitment Phase**

- 2.1. Define the campaign time frame and stick to it.
- 2.2. Be creative in your presentation and consensus building. Make sure that committing to this project "feels" different from a steward's regular giving to the congregation.
- 2.3. Visit key members of the congregation (Pastorate, Steering Committee, those who will conduct family visits, and other key contributors) first.
- 2.4. Make sure that every member is personally invited to commit to the project.
- 2.5. Include children with their families.
- 2.6. Communicate and celebrate your progress as the campaign unfolds

#### **3. Follow-up Phase**

- 3.1. Acknowledge every gift.
- 3.2. Follow-up regularly with the congregation to inform them of the progress of construction and contributions.
- 3.3. Follow-up with every member periodically regarding the status of their commitment.