



**REVOLVING FUND TRUST
LOAN INFORMATION**

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A. Purpose of the Revolving Fund

The Lake Union Conference Revolving Fund “Trust” is a service fund whereby Lake Union Conference institutions and members may make interest earning investments for the purpose of granting loans to assist in financing approved capital improvement projects for churches, schools and other types of loans as permitted by General Conference NAD Working Policy S 14 10.

B. Loan Policy

1. A loan for building purchases or a new build may be made to a church or school, providing any land involved is completely free of debt and 50% of local costs are in hand in cash or other readily convertible assets, including conference assistance and valid pledges. If the conditions are met, the loan can equal up to 50% of the estimated project cost, payable within a ten-year period beginning with the date of the loan.
2. A loan for renovations, repairs or the purchase of major equipment may be made to a church or school, providing 30% of local costs are in hand in cash or other readily convertible assets, including conference assistance and valid pledges. If the conditions are met, the loan can equal up to 70% of the estimated project cost payable within a ten-year period beginning with the date of the loan.
3. Loan requests can be made up to the equivalent of 300% of the previous 3 years’ average tithe or the percentage of the total project amount previously stated in statement 1 and 2 (the lower of the two amounts).
4. Terms are as follows:

<u>Amount</u>	<u>Maximum Term (Monthly)</u>
Up to \$5,000	36
\$5,001 – \$25,000	60
\$25,001 – \$100,000	120
\$100,001 – \$250,000	240*
\$250,001 and above	360*

*Includes a balloon payment or opportunity to refinance after 10 years.

C. Loan Request Procedures

1. Voted plans of a local church or entity project must be processed with the local conference initially. All completed applications are to be reviewed and approved by the local conference before applications are submitted to the Union for review and final approval.

2. Necessary documents for submission:
 - a. Loan Application
 - b. Local church board minutes
 - c. Project documents supporting the cost for project
 - d. Conference Executive Committee/Association minutes
 - e. Legal description of property
 - f. Parcel Identification Number (PIN) for property
3. Upon final approval, note and accompanying documents are prepared and sent to organization requesting loan. When the note is signed by the local entity, it is sent to the local conference for their official signatures. Thereafter, the conference will send the note to the union. Funds are released when all documents are received and fully executed.
4. Funds will be loaned at the current interest rate voted by the Lake Union Association Committee.