



NEWTON PRESBYTERY EMERGENCY CAPITAL LOAN GUIDELINES

PURPOSE: This fund shall be used to provide emergency capital funds for churches within Newton for the purpose of repairing property that needs immediate attention. This could include boiler, furnace, plumbing, roof or other area that must be repaired in order for ministry to continue.

ELIGIBILITY: All churches in the Presbytery of Newton are eligible if they meet the following requirements:

1. The repair is immediate and ministry cannot continue without repair taking place.
2. The congregation demonstrates that they are able to repay the loan.
3. All required forms and requested information is available to the Presbytery Trustees.

TYPES OF LOANS: All loans shall be considered as General Loans secured by either a promissory note or a mortgage. The maximum Presbytery emergency loan to congregations shall be \$10,000.

INTEREST RATES AND REPAYMENT:

1. The actual rate of interest for an approved loan will be 2% below the prime rate of interest, at the time of the loan, for up to 5 years and 1% below the prime rate after 5 years.
2. Deferment of interest and principal payments (silent periods) on projects that do not have the immediate ability to repay shall be available.
3. The maximum term of the loan shall be 7 years unless specifically approve for a longer term because of extenuating circumstances.
4. There shall be no penalty for prepayment of principal.

EXCEPTIONS: Exceptions to the guidelines may be authorized Trustees.