

FLORIDA UNITED METHODIST FOUNDATION

Loan Policy Manual

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Development Fund Loan Policy

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Loan Process Statement

The Florida United Methodist Foundation Development Fund, hereafter called “the Fund” is a savings and loan fund managed by The Florida United Methodist Foundation, Inc., and hereafter called “the Foundation”.

The primary purpose of the Fund is to provide funds with which the Foundation can make low interest loans to the churches, agencies and districts of the Florida Conference of the United Methodist Church; the Florida Annual Conference itself; or other related parties of United Methodist Church as well as other religious organizations whose mission complements and supports a Wesleyan focus on abundant grace and a shared commitment to making disciples of Jesus Christ for the transformation of the world.

All loans are made from investments placed the Foundation by investors in accordance with the Fund’s governing documents.

This document is intended to describe how the loan process will be implemented in accordance with the loan policy. This process statement is concerned with loan activities more than loan policies, although it is to be used in conjunction with the Loan Policy Statement.

Loan Area

The primary geographical area in which the Fund makes loans is the State of Florida. The Board of Directors of the Foundation may approve loans outside the State of Florida.

Legal Lending Limit

The legal lending limit of loans to a borrower within the Fund is set forth in the Foundation’s Offering Circular as “5% of the balance of outstanding Development Fund Accounts”. It is reviewed and adopted annually by the Board of Directors.

Approval Authority

The Board of Directors delegates the authority to make and service loans to the Loan Committee, the President and the VP of Loans & Investments in accordance with this policy. The Board of Directors will review and ratify the lending authorities as necessary. *Current levels approved Sept 26, 2020 by Board of Directors.*

- The President, with the recommendation of the Vice President, will be authorized to approve all loans of \$500,000.00 or less;
- The Loan Committee will be authorized to approve all loans of \$3,000,000.00 or less; using a majority vote with the recommendation of the President and the Vice President;
- All loans over \$3,000,000.00 will be reviewed by the Loan Committee and must be approved by a majority of the Board of Directors.

All loans approved during a quarter by the President or the Loan Committee will be affirmed at the next regularly scheduled meeting of the board of directors.

Any loan with an exception to policy must be ratified by the next higher level of loan authority.

Loan Committee

The responsibilities of this Loan Committee include the following:

1. Quorum – A majority of the members shall constitute a quorum for the transaction of business at any meeting and the action by the Loan Committee must be authorized by the affirmative vote of a majority of the members at the meeting at which such action is taken. All meetings must be conducted either in person or via a conference call.
2. The Loan Committee shall:
 - Establish loan underwriting guidelines and maintain sound credit policies
 - Review and approve loans presented to the committee
 - Enforce the loan approval process established by the Board of Directors
 - When required, seek further advice of counsel so as to ensure compliance with applicable law
 - Review on-going compliance with the Loan Policy

LOAN APPROVAL PROCESS

Application

A Foundation loan application form shall be completed and, along with all supporting materials, submitted to the Foundation's President, Vice President of Loans & Investments, or assignee, before formal consideration of a loan request will be made.

This includes:

- The loan amount and maturity requested
- Purpose or project description for the use of proceeds
- Membership, average worship attendance and apportionments history
- The signed consent of required authorities
- Financial information
- Appraisals and environmental evaluations where appropriate

Financial Information

All requests for Foundation loans must be supported by current financial information on the borrower. Such information should include a complete itemized balance sheet with supporting schedules for listed asset values; fiscal year-end operating statements; and income tax returns (*when available*). Borrowers may provide the Foundation copies of annual financial reports if prepared by outside accounting firms (*when available*). Loans and renewals to borrowers cannot be considered by the loan committee until the required financial documentation has been submitted to the Foundation and thoroughly reviewed and approved by the Vice President of Loans & Investments.

The minimum financial information required from a borrower:

- 2 Years Business Tax Returns (including all attachments and schedules) *(if available)*
- 2 fiscal year end financial statements including balance sheet and profit and loss statements
- Interim statements with current balance sheet and YTD income statements as necessary to provide current information for credit analysis

Loan Pricing

All loans made by the Foundation shall bear interest at the prevailing interest rate as approved by the Board of Directors. Unsecured loans shall be written with an interest rate ½ % higher than secured loans.

UNSECURED AND SECURED LOANS

Unsecured Lending

Unsecured loans must be supported by:

- Written understanding that the credit is expected to be repaid within a specific timeframe, usually within a timeframe not exceeding seven (7) years.
- Current financial information that reflects favorable net worth to debt relationships with asset values well defined.
- Financial information that reflects sufficient liquidity to repay debt in a timely manner.
- Income information that reflects ample income to service the borrower's liabilities.

Unsecured term loans will not be renewed more than twice unless specific renewals were contemplated in the original approval with scheduled principal reductions.

Secured Lending

All collateralized loans must (i) have an adequate margin between the loan amount and the fair market value of the collateral measured at loan inception and (ii) include repayment terms including amortization which ensure continued collateral coverage during the term of the loan. The following loan to fair market value schedule is presented as a guideline for determining such margins:

Loan to Value Guidelines

- | | |
|--------------------------------|--|
| • Pledged Fund Accounts | 100% |
| • Real Estate | 80% <i>(not to exceed 80% of fair market value of underlying collateral)</i> |
| • Qualifying Personal Property | 80% |

Any request for a loan made by a new church, new church start, or new church without a facility should be underwritten very closely and approval thereof may be conditional on the guarantee of the appropriate District or Conference.

Loan to Value Exceptions

All loan requests seeking to borrow proceeds in excess of those which would otherwise be justified under the loan-to value guidelines above must be clearly identified as such within the borrower's loan file and presentation materials and when presented to the Loan Committee and Board of Directors for approval. All loans in excess of the established loan-to-value parameters shall be reported to the Board of Directors on at least a quarterly basis.

Real Estate

Underwriting standards relevant to real estate financing must also address fair market valuation of the proposed collateral level of borrower equity, projected income producing property revenue and overall property marketability. Further reference to fair market valuation is made in the section on "Appraisals" found in this Loan Policy.

Construction

These loans are to be structured with a reasonable construction period to coincide with the project's completion time frame. The construction period (*and optional "interest-only" period*) will occur within the approved maturity. Regularly scheduled debt service to include minimum interest payments on at least a monthly basis will normally be required in the construction period and/or "interest-only" period. Upon completion of the project and/or "interest-only" period, the loan will convert to normal principal & interest payments for the remainder of the term.

• Maximum loan amount	Legal Lending Limit
• Maximum maturity	20 years
• Pricing	Market
• Loan to Value	80% or appraisal or 90% of cost, whichever is less

PARTICIPATIONS

Loan participations will be done on a case-by-case basis.

When acting as the lead financial institution, the Fund will ensure:

- The Participation Agreement will be executed by the President with an original copy maintained with the note. (This would not be applicable if it is a participation purchase)
- The Fund's underwriting criteria appropriate to the facility type will be used to evaluate the credit.
- Rates/terms set depending upon loan types as previously noted

When purchasing participations, the Fund will ensure:

- The lead lender is financially sound.
- Purchased loans are loans the Fund would otherwise be authorized and willing to grant on a direct basis.
- The Fund will independently evaluate the credit and approve in the same manner as a direct loan.

- Copies of all information used to evaluate credit (i.e. tax returns, financials, rent rolls, etc.) will be maintained in the Fund's files.
- Copies of all documents and supporting information (i.e. appraisals, environmental, etc.) will be maintained in the Fund's files along with a properly executed original Participation Agreement.

It will be the responsibility of the VP of Loans & Investments to make sure information furnished to the participating institution is complete and the terms of the participation coincide with the terms of the underlying credit approval and closing documents.

Participations will be sold on a non-recourse basis and should only be sold for one or more of the following reasons:

- To prevent the Fund from exceeding its Legal Lending Limit;
- To reduce a concentration of credit in a particular industry; or
- To satisfy liquidity requirements of the Fund.

All participation agreements will be on a pari passu basis with absolutely no obligation or provision made for a buy-back by either party to the participation.

APPRAISALS AND ENVIRONMENTALS

The Board of Directors authorizes the President and VP of Loans & Investments to approve commercial real estate appraisers and environmental consultants.

Appraiser Qualifications

The Appraisers must be Florida state-certified or state-licensed. An MAI appraiser is recommended. Appraisers must; (1) have no financial interest in the real estate being appraised; (2) be independent of influence from the Fund, the borrower, the seller or any other third party; (3) have demonstrated experience in appraisals of property similar in type and value to that being considered and (4) provide evidence of professional certification or other recognition of the competence in their field, as appropriate and as may be required by regulations governing commercial loans made by the Fund.

Appraisal Content

Each appraisal will be in writing and will meet the requirements governing appraisal content which include the following:

- Conform to generally accepted appraisal standards evidenced by the Uniform Standards of Professional Appraisal Practice ("USPAP") promulgated by the Appraisal Standards Board of the Appraisal Foundation, unless safety and soundness principles require stricter standards.
- Document the appraiser's opinion of a property's market, income and cost value, if applicable

- Contain sufficient information and analysis to support the Fund's decision to engage in the transaction.
- Analyze and report appropriate deductions and discounts for proposed construction or renovation, partially leased buildings, non-market lease terms, and tract developments with unsold units.
- Must be based on regulation's definition of fair market value
- Must be performed by MAI, state certified or licensed certified appraiser.

Definitions

- Appraisal – An appraisal is a written statement setting forth an opinion of the fair market value of an adequately described property as of a specified date, supported by the presentation and analysis of relevant data. It must conform to generally accepted appraisal standards evidenced by the Uniform Standards of Professional Appraisal Practice (USPAP).
- Evaluation – An evaluation is a method of validating real estate values that reflect prudent lending practices and regulatory policies. In most cases, the Fund will use values established by the County Property Appraiser as a sufficient evaluation. File documentation should support the estimate of value and include sufficient information for an individual to fully understand the evaluator's analysis.
- Appraisal Validation – An appraisal validation is a process of reviewing an existing appraisal or evaluation on either renewal or subsequent transactions to determine whether the existing appraisal or evaluation remains valid to support the transaction

Environmentals

The Environmental Site Assessment shall be in form and substance consistent with requirements set forth in this Loan Policy. Based upon the loan applicant's answers on the Environmental Site Assessment and/or a site visit, the VP of Loans & Investments may initiate either an ASTM Transaction Screen or a Phase I ESA - depending on the situation.

The VP of Loans & Investments will be responsible for reviewing and approving all Environmental Site Assessments, ASTM Transaction Screens and all Phase I & Phase II Environmental reports.

LOAN DOCUMENTATION AND ADMINISTRATION

All loan documents must be prepared internally or by an attorney on the Fund's approved attorney list.

A document file, which may be hard copy or imaged, will be established and appropriate documents (note / guaranty) will be secured in a fireproof vault. A credit file, which may be hard copy or imaged, containing

financial information and non-critical support documents will also be established. All files will be maintained at the Fund's main office facility.

Loan Administration

Loan administration procedures and guidelines set forth elsewhere in this lending policy are to be followed, including the requirements for financial statements, collateral documentation, collateral inspections, appraisals, and collection activity. The Vice President of Loans & Investments is responsible for obtaining all necessary documentation for real estate loans as well as the administration of the overall credit facility.

Covenant Compliance

Regular monitoring of financial covenants is required for a properly managed credit facility. Any loan covenant violations must be promptly followed by the appropriate action by the Foundation staff. All actions in connection with substantial violations and subsequent remedies or waivers must be approved by the Board of Directors.

Loan Monitoring

Each loan will be approved with specific conditions and reporting requirements for financial information. The information obtained is used to monitor any defined covenants as well as to make a determination of the current strength of the borrower. In addition to specific financial requirements, loans will be additionally monitored for the following as necessary:

- Real Estate Taxes. Loans secured by real estate will be monitored for payment of ad valorem real property taxes, either internally or by a contracted third party
- Insurance Coverage. Insurance coverage is required on all physical assets securing Fund loans. The insurance coverage will be monitored monthly, either internally or by a contracted third party.
- A UCC financing statement tickler system will be maintained to monitor the action dates necessary to continue UCC filings. All inventory and account receivables used as primary collateral must be inspected and/or verified at least annually.
- A Loan Administration designee will review disbursed loans. All loans will be checked for proper documentation. This person is currently the Administrative Assistant to the President.

PORTFOLIO RISK MANAGEMENT / LOAN REVIEW

At least annually, the loan portfolio will be reviewed by the Fund. This review will include an analysis of the original collateral evaluation or appraisal to ensure that valuations are current, accurate and properly reflected.

Disclosure of Problem or Potential Problem Loans

A problem loan is one where a change in condition or circumstances is detected that may result in an increased risk of loss and/or an unreasonable delay in the collection process beyond that which was originally anticipated. The Vice President of Loans & Investments shall promptly disclose loans that in his/her opinion could become a problem loan to the President the Loan Committee and the Board of Directors.

Collateral Valuations for Problem or Potential Problem Loans

The Vice President of Loans shall obtain an appraisal, or use any other approved source, to calculate the sufficiency of the collateral for each problem loan and report the results thereof to the Loan Committee.

Board Reports

At each regular quarterly meeting of the Board of Directors, reports related to the loan portfolio will be prepared by the Vice President of Loans and presented to the Board as part of the Board Report package and made a part of the minutes. The quarterly reports will include current information on the following:

- Loan Trial Balance (by loan number and by amount)
- Loans approved since prior board meeting
- Committed Loan Summary
- Loan Arrearage & Interest Only report

Collection Activity

The President and Vice President of Loans shall use all means available to them for the collection of loan indebtedness due the Fund including all legal action available by law. It is recognized that some loans will have mitigating circumstances that require careful consideration as to collection tactics that will be employed. In such cases, they will be charged with the responsibility to consult with the Foundation's counsel to determine a course of action. The Board of Directors will have the final decision with regard to legal action in collection efforts.

The controlling action should, in all cases, be to take every step open to collect money due and protect the Fund from any loss.

Interest Only and Loan Restructuring

If a borrower experiences a temporary cash flow issue, they can petition to the Vice President of Loans for a temporary period of making payments of interest only and no principal. This request must be accompanied by financial documentation that describes the reason for the cash shortage and it must be accompanied by a written plan on how the borrower plans to return to full payments. Interest only payments will only be granted as a last resort for cash management. It will not be granted if all other potential actions have not first been attempted. The initial interest only period will normally be six months in duration and can be approved by the Vice President for Loans. Any subsequent periods are to be six months in length and must be approved by the President. Any interest only periods will not change the maturity date of the mortgage, nor will it alter the principal balance of the loan.

If the borrower wants to restructure a loan that has been significantly paid down, a new loan application must be submitted to the Vice President of Loans. This restructured application must meet all existing loan qualifications and it must be approved in the same manner as a new loan.

Exit Strategy

A credit with covenant violations will be reviewed by a minimum of the President and Vice President of Loans and Investments to determine the appropriate exit strategy. The exit strategy for a covenant violation may be as severe as calling the note or as negligible as reclassifying the credit and placing it on the Foundations Watch List. The exit strategy may be based on the following:

- Payment history
- Financial Analysis
- Collateral Value and LTV Determination
- Borrower's Relationship with the foundation

Non-Accrual Guidelines

This section establishes the foundation's guidelines for the handling of nonaccrual loans. Any loan is to be placed on nonaccrual when the loan becomes 90 days past due and any of the following conditions exist and the Loan Committee shall be notified:

- It becomes evident that the borrower will not make scheduled payments or will not, or cannot, meet the foundation's terms for the renewal of a matured loan.
- When full repayment of principal and interest is not expected in accordance with loan terms.
- When the borrower files bankruptcy and an approved plan of reorganization or liquidation is not anticipated in the near future.
- When foreclosure action is initiated.

A loan may also be placed on nonaccrual status if one or more of these factors exist, even if the loan is not currently 90 days past due. However, any loans to such a borrower which are adequately secured by a demand deposit account or certificate of deposit with a financial institution or marketable securities are not required to be considered for nonaccrual status.

When a loan is placed in nonaccrual status, all existing accrued interest is to be charged- off against interest income. Accrual of interest for the Fund's financial statement purposes is to be discontinued. The Fund will continue to track the contractual interest for purposes of customer reporting and any potential litigation or later collection of the loan. Subsequent payments of interest can be recognized as income on a cash basis provided that full collection of principal is expected. Otherwise, all payments received are to be applied to principal only.

Return to Accrual Status

Nonaccrual loans may be returned to accrual status provided the following criteria are met:

- All past due principal and interest amounts, including past due payments, have been paid and
- There is a period of at least six months of repayment performance by the borrower in accordance with the contractual terms of the loan.

The return of loans to accrual status requires the approval of the President. Exceptions to any requirements of nonaccrual policy are to be documented and approved by the President.

Charge-off

All charge offs shall be approved by the Loan Committee and thereafter by the Board of Directors at the first meeting following written notification by the President stating that a charge off is required. This approval will be reflected in the minutes of the Board meeting. The approval of the Board of Directors is the only authorization acceptable for the preparing and posting of general ledger entries charging off the debt.

It is expected that prior to a request for charge off, all possible actions against the borrower will have been explored in order to enforce collection of all principal and accrued interest due the foundation. After charge off, the foundation shall continue active efforts to attempt collection of all monies due it. These efforts will include, but not be limited to the following:

- Filing suit for judgment
- Enforcing judgments once obtained
- Repossession and sale of collateral if not previously done
- Enforcing any and all rights against co-makers, endorsers and guarantors, if applicable

APPENDIX

APPENDIX A – LENDING AUTHORITIES

APPENDIX B – FUND LOAN APPLICATION

APPENDIX C – ENVIRONMENTAL SITE ASSESSMENT



APPENDIX A – LENDING AUTHORITIES

- Approved by Loan Committee: December 3, 2022
 - Approved by the Board of Directors: December 3, 2022
-

1. The President, with the recommendation of the Vice President, will be authorized to approve all loans of \$500,000.00 or less;
2. The Loan Committee will be authorized to approve all loans of \$3,000,000.00 or less; using a majority vote with the recommendation of the President and the Vice President;
3. All loans over \$3 million, but less than \$3.5 million, will be reviewed by the Loan Committee and approved by the Board of Directors using electronic voting procedures and transmissions following the recommendation of the Foundation's President and Vice President of Loans;
4. All loans over \$3.5 million will be approved by the Board of Directors in a meeting held by conference call or in person.



**FLORIDA
UNITED METHODIST**
foundation

CHURCH/AGENCY LOAN APPLICATION

GENERAL INFORMATION

Date: _____ GCFA Number (if applicable): _____

Institution corporate name: _____

Institution name: _____ District: _____

Address: _____ City: _____

State: _____ Zip: _____ County: _____

Pastor/president/CEO: _____ Phone: _____

Contact for loan: _____ Phone: _____

Contact email: _____

INSTITUTION INFORMATION

CHAIRPERSON, BOARD OF TRUSTEES

SECRETARY, BOARD OF TRUSTEES

CHAIRPERSON, FINANCE COMMITTEE

FINANCIAL SECRETARY/BUSINESS ADMINISTRATOR/TREASURER

Is your institution:

1. New/a new church start? ☐ Yes ☐ No

Are you working with the Florida Conference
New Church Development Committee? ☐ Yes ☐ No

2. Chartered? ☐ Yes ☐ No

If yes, year chartered: _____

3. Incorporated? ☐ Yes ☐ No

4. Invested in the Florida United Methodist Foundation Development Fund? ☐ Yes ☐ No

CONNECTION AND COMMITMENT

1. Please tell us about your connectional commitment by providing us with your institution's apportionment history, if applicable, during the past five years. If less than 100 percent, please submit an explanation on a separate sheet.

	Year	Percentage Paid	Amount Paid
Current Year			
First Previous Year			
Second Previous Year			
Third Previous Year			
Fourth Previous Year			

2. Are there any outstanding:

- a. Property insurance premiums? ☐ Yes ☐ No If yes, how much? \$ _____
- b. Health insurance premiums? ☐ Yes ☐ No If yes, how much? \$ _____
- c. Clergy pension contributions? ☐ Yes ☐ No If yes, how much? \$ _____
- d. Unpaid accrued bills? ☐ Yes ☐ No If yes, how much? \$ _____

3. Please tell us about your scheduled services/attendance and financial stewardship:

	Year	Present Membership	Average Worship Attendance	Church School Enrollment	Church School Attendance	Average Weekly Offering	Average Number of Giving Units
Current Year						\$	
First Previous Year						\$	
Second Previous Year						\$	
Third Previous Year						\$	
Fourth Previous Year						\$	

FINANCING NEEDS/PROJECT DESCRIPTION

Loan amount requested: _____ Amortization period requested: _____

NOTE: All loan closing costs will be deducted from the loan proceeds unless other arrangements are made prior to loan closing.

COST OF PROJECT (including architectural and associated fees):

(Select one) ☐ Actual ☐ Estimated total: \$ _____ Estimated cost per square foot: \$ _____

PROJECT DETAILS

Please check the appropriate option below and attach a separate sheet with a detailed description of the project.

- ☐ **Purchase:** ☐ Land only ☐ Land and existing facilities ☐ Other: _____
- ☐ **Refinance:** ☐ Unsecured loan ☐ Mortgage loan ☐ Other: _____
- ☐ **New construction at present or new location**
- Estimated construction period: _____
 - Has construction/remodeling begun? ☐ Yes ☐ No
 - Has a Notice of Commencement been recorded? ☐ Yes ☐ No
 - Is this a "fixed price" contract? ☐ Yes ☐ No
 - Is there any affiliation between the institution and/or its constituents with any building contractor or supplier who has an interest in or may receive any of the loan proceeds? ☐ Yes ☐ No

6. The type of construction contract will be *(select one)*:

- ☐ Stipulated Sum Basis with 100 Percent Performance Bond and 100 Percent Labor and Material Bond
(see loan policies for conditions)
- ☐ Construction Management Basis without Performance Bond and Labor and Material Bond on the General Contractor
(see loan policies for conditions of acceptability)

☐ **Other** *(please describe)*: _____

PROJECT RESOURCES

1. What is the collateral? _____
2. When will you need the funds? _____
3. How do you intend to repay the loan? _____
4. Cash on hand/as of *(date)*: \$ _____ / _____
5. Donations anticipated from district or conference: \$ _____
6. Amount already paid on project: \$ _____
7. Other *(list on a separate sheet)*: \$ _____
8. Total capital campaign pledges/receipts: \$ _____
- TOTAL ANTICIPATED RESOURCES: \$ _____

CAPITAL CAMPAIGN

The amount of pledges should equal the total of at least two years of the loan amortization.

1. A capital campaign: ☐ Was ☐ Will be conducted: _____, 20____.
2. Pledges: ☐ Were ☐ Will be secured for a total of \$ _____.
3. Pledges are payable _____, 20____ to _____, 20____.
4. As of _____, 20____, the total amount received on these pledges was \$ _____.
5. Another capital campaign will be held _____, 20____, to secure additional pledges for debt retirement. The campaign will end _____, 20____.

CHURCH PROPERTY AND EXISTING MORTGAGE LOAN

BUILDING/FACILITY	Yes/No	Age	Seating Capacity	Square Footage	Property FMV	Exterior Material
Auditorium/Sanctuary						
Education Building						
Fellowship Hall						
Day Care						
Parsonage(s)						
Other						

EXISTING MORTGAGE LOANS

NAME OF LENDER _____ LOAN OFFICER _____

Address: _____

City: _____ State: _____ Zip: _____

Account/loan number: _____ Loan origination date: _____

Original loan amount: \$ _____ Current balance: \$ _____

Interest rate: _____ % Payment: \$ _____ Amortization period: _____

Legal description of property: _____

Physical address: _____

NAME OF LENDER _____ LOAN OFFICER _____

Address: _____

City: _____ State: _____ Zip: _____

Account/loan number: _____ Loan origination date: _____

Original loan amount: \$ _____ Current balance: \$ _____

Interest rate: _____ % Payment: \$ _____ Amortization period: _____

Legal description of property: _____

Physical address: _____

Does your institution have any additional debt (mortgage loans, credit lines, unsecured notes, etc.)? ☐ Yes ☐ No

If yes, please attach on a separate sheet.

AUTHORIZING RESOLUTION, RECOMMENDATION AND CONSENT

1. **RESOLUTION:** This certifies that the Charge or Church Conference of _____
 United Methodist Church of _____ on the _____ day of _____, 20_____,
 adopted the following RESOLUTION:

BE IT RESOLVED that the trustees or proper officials of _____
 United Methodist Church of _____ on the _____ day of _____, 20_____,
 are hereby authorized to borrow money from The Florida United Methodist Foundation Inc. in an amount not to exceed
 \$ _____ and at an amortization period not to exceed _____.

 Date: _____ Signed: _____
 CHARGE/CHURCH CONFERENCE SECRETARY

 Print name: _____

2. **RECOMMENDATION:** Recommendation of the district board or, if not applicable, the signature of the district superintendent
[select one]

☐ At a meeting of the district board of the _____ District held on the _____ day of
 _____, 20_____, it was recommended that a loan of \$ _____ be granted.

 Date: _____ Signed: _____
 PRESIDENT OF DISTRICT BOARD

 Print name: _____

 Date: _____ Signed: _____
 SECRETARY OF DISTRICT BOARD

 Print name: _____

- ☐ A recommendation of the district board is not applicable.
 District superintendent signature/date: _____ / _____

3. **CONSENT:** Consent of the district superintendent and pastor
 The undersigned individuals, as district superintendent of the Florida Annual Conference district in which
 _____ United Methodist Church of _____ is located
 and as pastor appointed to said church, certify that we have examined the forgoing application and, pursuant to Paragraphs 2540
 and 2541 of the Book of Discipline of The United Methodist Church (2017), consent and recommend that a loan of
 \$ _____, with an amortization period of no more than _____, be granted.

 Date: _____ Signed: _____
 DISTRICT SUPERINTENDENT

 Print name: _____

 Date: _____ Signed: _____
 PASTOR

 Print name: _____

4. **ATTORNEY:** If an attorney will be representing the church, please provide the following information.

Name of attorney: _____

Address: _____

City: _____ State: _____ Zip: _____

Email: _____ Phone: _____ Fax: _____

ADDITIONAL INFORMATION AND ATTACHMENTS

Please include the following information as attachments *[failure to include the information will result in your application being returned to you].*

1. Financial statements:
 - a. Income and expense statement (year to date)
 - b. Balance sheet (year to date)
 - c. Year-end financial statements for each of the previous two years (including balance sheet and income and expense statement)
2. Detailed description of the project
3. Cost breakdown of the project
4. Legal description of the property to be mortgaged
5. Physical address of the property to be mortgaged
6. Signed certification, located on the last page of the foundation's loan application
7. Information relative to any additional outstanding secured or unsecured debt
8. If apportionment history is less than 100 percent for the past five years, please provide an explanation
9. Answer the following questions:
 - a. What community ministries does the church sponsor?
 - b. What community programs are housed in the church facility and whom do they serve?
 - c. What percentage of church income is spent on mission projects?

CERTIFICATION

We certify that we have read and understood the foundation's loan policies. We agree to be governed by them in the administration of a loan.

CHAIRPERSON, BOARD OF TRUSTEES

CHAIRPERSON, FINANCE COMMITTEE

TREASURER

CHAIRPERSON, BUILDING COMMITTEE

PASTOR

CHURCH

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____

SUBMISSION

Return your application and accompanying documents to: Andy Craske
Vice President of Loans and Investments
Florida United Methodist Foundation
450 Martin L King Jr Avenue
Lakeland, FL 33815



APPENDIX C - ENVIRONMENTAL SITE ASSESSMENT

ENVIRONMENTAL ASSESSMENT CHECKLIST

(Short Form - to be completed by Borrower)

Please assist us in collecting information about your property regarding potential environmental contamination. This checklist is required as part of the loan closing process. The Foundation may also require an environmental audit by a qualified environmental inspection firm. These steps are intended to protect you and the Foundation from potential liability. **We appreciate your cooperation.**

Borrower Name:

Borrower Address:

Subject Property Address:

1. Describe the proposed use of this property:

2. Describe the present and all known past uses of this property:

3. Identify all past owners, tenants, or persons who have used or are using this property:

4. Describe the present and known uses of adjacent property:

North Past:

Present:

South Past:

Present:

East Past:

Present:

West Past:

Present:

5. Are you aware of:

The existence of any wells or drilled shafts on the subject property? Y or N

(1) The existence of any above-ground or underground chemical, fuel, or Y or N

oil storage tanks or transmission lines (pipes) on the subject property, (and)

(2) if such tanks are present, have they been registered with the State or EPA? Y or N

The existence of any buried or superficial solid waste or trash on the subject property? Y or N

Liquids that have been spilled or disposed of on the property? Y or N

If yes to any of the above, please explain:

6. (a) Is the subject property currently used for, or has it ever been used (i.e., manufacturing, handling, storage, sales, transportation, disposal, etc.) for any of the following purposes?

1. Food canning, preserving, or processing Y or N

2. Repair or maintenance of vehicles Y or N

3. Service station Y or N

4. Cement or cement products Y or N

5. Paint or decorating supplies Y or N

6. Batteries/transformers Y or N

7. Photo processing Y or N

8. Printing Y or N

9. Electroplating Y or N

10. Chemicals Y or N

11. Metal fabrication Y or N

12. Pest Control Y or N

13. Fertilizers Y or N

14. Swimming pool supplies Y or N

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| 15. Funeral homes | Y or N |
| 16. Dry Cleaning | Y or N |
| 17. Asphalt or other petroleum products | Y or N |
| 18. Furniture refinishing | Y or N |
| 19. Asbestos or asbestos products | Y or N |
| 20. Soaps and detergents | Y or N |
| 21. Leather tanning or finishing | Y or N |
| 22. Glass or glass products | Y or N |
| 23. Rubber | Y or N |
| 24. Timber and paper | Y or N |
| 25. Plastics or synthetics | Y or N |
| 26. Pharmaceuticals or cosmetics | Y or N |
| 27. Manufacturing computer hardware or circuit boards | Y or N |
| 28. Radioactive materials | Y or N |
| 29. Explosives, ammunition, or fireworks | Y or N |
| 30. Chemical, biological, or nuclear research | Y or N |
| 31. Disposal of waste or recycling of any kind | Y or N |

(b) If the subject property has been so used, please specify which portion and when:

(c) Is the property adjacent to the subject property currently used for, or has it ever been used for the purposes listed above?	Y or N
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If yes, please describe:

7. Has the subject property, or property adjacent to it, ever been used for the creation, manufacture, storage, handling, transportation, or disposal of hazardous waste or hazardous substances?	Y or N
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8. What chemicals have been used on the property? What waste was produced on the property? How was that waste disposed of (current and past practices)?	Y or N
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9. Was any portion of the subject property created or modified by dredging or landfill? Y or N
10. Has the subject property ever been mined for oil, gas, or other minerals? Y or N
11. Were the buildings or other structures on the subject property constructed before 1979? Y or N
12. Were asbestos or asbestos-containing products used in the construction of those structures? Y or N
13. Are there any electrical transformers or capacitors on the subject property?
If yes, have the transformers or capacitors been tested for toxic chemicals, such as PCB's? Y or N
14. Have solvents ever been used on the subject property?
If so, explain how the solvents were used, estimate the quantity used, and describe the disposal practices used for spent or waste solvents. Y or N
15. Is the activity that the property is being used for in compliance with all environmental permits and laws?
If not, please explain. Y or N
16. Are there any pending claims or lawsuits involving the property or business related to environmental contamination, the discharge of emissions, or exposure to hazardous substances? Y or N
If yes to any of the above, specify which portion and explain further.

The undersigned personally warrant that they have read the information contained herein and answered each question truthfully and completely. They understand and agree that the obligation to inform the lender of any changes in the information given above is a continuing one.

Pastor

Date

Chair of Trustees

Date