

Section j deleted 4/23/16

T-3. POLICY FOR SALE OR LEASE OF CHURCH REAL ESTATE.

- a. Under the Book of Order, all property owned by a congregation, however titled, is held in trust for the use and benefit of the Presbyterian Church (U.S.A.). Accordingly, a congregation shall not sell, mortgage, or otherwise encumber any of its real property, and shall not acquire real property subject to an encumbrance or condition, without the written permission of the Presbytery transmitted through the session of the congregation. In addition, a congregation shall not lease its real property used for purposes of worship, or lease for a term of more than five years any of its other real property, without written permission of the Presbytery transmitted through the session of the congregation. Added
- b. Approval by Trustees will precede the listing of any church real property for sale and/or the execution of any agreement for sale or long - term lease.

SALE of PROPERTY

Documents required for review by the Trustees at time of listing

1. Commercial Real estate appraisal
2. Approval by session and congregation

Documents required at time of offer

1. Signed purchase agreement
2. Approval by session and congregation of offer

Other

1. Any back per-capita owed to the Presbytery is expected to be paid at the time of closing.

LEASE OF PROPERTY

Documents required for review by the Trustees for a lease

1. Copy of proposed lease
2. Approval by session and congregation.

Amended 4/23/16; 9/11/19

T-4. POLICY FOR PURCHASE OR MORTGAGE OF REAL ESTATE BY A CHURCH.

Renumbered 4/23/16

If a church intends to purchase real estate and simultaneously encumber the real estate with a mortgage loan, the church must complete and submit to the Trustees the Request for Permission to Purchase Real Estate form prior to the purchase. *Amended 4/23/16. Former T-4 deleted 4/23/16*

T-5. GUIDELINES FOR PRESBYTERY LOANS TO CHURCHES.

The following are guidelines and requirements for churches requesting to borrow funds from the Presbytery. The Trustees facilitate this policy and assign a trustee to guide churches through this process. In the case of a national emergency so designated by the Board of Trustees, see letter J.

- a. All loan requests require a full financial review by the candidate church. G-3.0113
- b. All loan requests (over \$500,000. See d) go to the Presbyterian Investment & Loan Program (PLIP). The PLIP application must be approved by the church session,

- congregation and then Trustees before submission to PLIP. In most cases the church makes a short presentation to the Trustees with appropriate financial documentation. Some PLIP loans require a fundraising/capital campaign to facilitate loan repayment. PLIP loan applications are available on their website. (<https://pilp.pcusa.org/>)
- c. Loan requests to Presbytery require a POD loan application and documentation listed below(h). Priority is given to smaller churches.
 - d. Requests for loans from Presbytery are considered for the following
 - 1. Major building repairs
 - 2. expansion or remodeling for upgrading facility
 - 3. adding building accessibility for handicapped people
 - 4. energy conservation
 - 5. churches providing down payment assistance for pastors (see T-2)
 - e. The usual limit for churches is \$50,000 or less.
 - f. A promissory note supported by a mortgage is required and recorded. The mortgage places a lien on the church's property for the amount of the loan. Any back per capita due to the POD will also be included in the mortgage amount. Back per capita payment is expected.
 - g. Line of Credit

The Trustees will consider granting a church a line of credit supported by a mortgage when they have property for sale and have concurrent cash flow issues. Churches with property for sale and related cash flow issues will be referred to the Presbyterian Investment & Loan Program (PILP) for line of credit lending. Trustees reserve the right to add conditions to the draw-down of Lines of Credit.
 - h. Loan documentation expenses such as attorney fees (e.g. note preparation, lien and other documentation preparation/review and Title Insurance (required) will be reimbursed to the Presbytery within 30 days of loan closing. (Loans and LOC's)
 - i. Required documentation for all Presbytery Loan and Line of Credit requests:
 - 1. Commercial appraisal (by a professional appraiser) of church property
 - 2. Most recent annual report
 - 3. Current year budget
 - 4. Three years of financial statements
 - 5. Current year cash flow analysis
 - 6. Session approval
 - 7. Congregational approval
 - 8. Copies of notes and documentation for any other outstanding loans
 - 9. 3 years of membership and attendance records
 - 10. Completed loan application.
 - 11. Allow 60 days for Trustee examination and turnaround requests.
 - j. National Emergency grant/loan policy
 - 1. Complete the Emergency grant/loan application.
 - 2. The application includes all required information, approvals and documentation.

Amended 7/7/20

T-6. GUIDELINES FOR REVIEWING REFINANCING REQUESTS

- a. Except for special circumstances, the Trustees intend to recommend to Presbytery for approval