



United Methodist Foundation of Michigan

3347 Eagle Run Drive NE Suite B • Grand Rapids, Michigan • 49525

Phone 1-888-451-1929 • Fax 1-616-825-6178 • Email: info@umfmichigan.org WWW.UMFMichigan.org

MICHIGAN AREA LOAN FUND - FIRST MORTGAGE LOAN APPLICATION

Full Corporate Name of Church

Street Address

City

State

Zip

Pastor

Date of Application

Church Phone: _____

Pastor's Cell Phone _____ - _____

Primary contact person regarding this application: (usually other than the pastor)

Name

Office Held in the church. (If any)

Address

Phone/Email

Brief description of project/Purpose of loan:

Enclosed Check payable to **Michigan Area Loan Fund**

Opening Fee of \$100.00 Check # _____

II. CHURCH ORGANIZATION AND DATA:

1) Year organized: _____

Did you file a Michigan Corporate Report Last year? ☐ No ☐ Yes (*Please attach a copy*)

2) Membership/Attendance in the last five years:

Present Year: 20____ Membership: _____ Average Attendance: _____

Year: 20____ Membership: _____ Average Attendance: _____

Year: 20____ Membership: _____ Average Attendance: _____

Year: 20____ Membership: _____ Average Attendance: _____

Year: 20____ Membership: _____ Average Attendance: _____

3) Sunday School: Enrollment _____, Average Attendance _____

4) United Methodist Women: Enrollment _____, Average Attendance _____

5) Other Ministries: Please Describe:

- Ministry Name _____, Average Attendance _____
- Ministry Name _____, Average Attendance _____
- Ministry Name _____, Average Attendance _____

If more space is needed, please continue another sheet of paper.

6) Do you maintain a not-member constituency/participants list? ☐ No ☐ Yes

If yes, number of people on this list: _____ of which _____ are adults

7) How long has your pastor served your church? _____

Present pastors' salary \$ _____ Associates salary \$ _____

Amount paid by church \$ _____ Associates salary \$ _____

If salary paid by others Source: _____ Amount: \$ _____

8) What is the average age of the congregation's members?

Year 20____ Average age _____

II. FINANCIAL GIVING DISTRIBUTION:

Show the number of annual financial commitments in each bracket for the current Operating

Budget:

Over \$100,000	Number _____	Total Amount \$ _____
\$50,000 to \$99,999	Number _____	Total Amount \$ _____
\$20,000 to \$49,999	Number _____	Total Amount \$ _____
\$10,000 to \$19,999	Number _____	Total Amount \$ _____
\$5,000 to \$9,999	Number _____	Total Amount \$ _____
\$2,000 to \$4,999	Number _____	Total Amount \$ _____
\$500 to \$1,999	Number _____	Total Amount \$ _____
Less than \$500	Number _____	Total Amount \$ _____
TOTALS	Number _____	Total Amount \$ _____

III. FINANCIAL PLAN AND DATA OF CHURCH PROGRAM:

- 1) Attach copies of the last 3 years of your financial statements.
- 2) List the number, amount of pledges and amount received for the last three years. *(Do not include any special offerings such as Advance, Hunger, home missions or building campaign):*

Year 20____, #Pledges _____, Amt Pledged \$_____, Amt Received \$_____

Year 20____, # Pledges _____, Amt Pledged \$_____, Amt Received \$_____

Year 20____, # Pledges _____, Amt Pledged \$_____, Amt Received \$_____

IV. Local Church Stewardship:

- 1) Does your church have an annual stewardship campaign and receive pledges for the support of your entire financial program including Ministry Shares (apportionments), World Service and Conference Benevolence according to the requirements of the Discipline? ☐ No ☐ Yes

- 2) Are your current expenses all paid up to date: ☐ No ☐ Yes

If "No" please explain (or attach explanation):

- 3) Are your Ministry Shares paid up to date? ☐ No ☐ Yes

If "No" please explain (or attach explanation):

V. List any other loans, mortgages or debts which you have outstanding related to your property:

Year Begun_____, Amt of Loan \$_____, Current Balance \$_____

Year Begun_____, Amt of Loan \$_____, Current Balance \$_____

Year Begun_____, Amt of Loan \$_____, Current Balance \$_____

VI. BUILDING FUND CAMPAIGN:

- 1) List the Building Fund pledges and receipts to date:

Year 20____, # Pledges _____, Amt Pledged \$_____, Amt Received \$_____

Year 20____, # Pledges _____, Amt Pledged \$_____, Amt Received \$_____

Year 20____, # Pledges _____, Amt Pledged \$_____, Amt Received \$_____

Year 20____, # Pledges _____, Amt Pledged \$_____, Amt Received \$_____

TOTALS \$_____ \$_____

Amount (cash) in Building Fund now \$_____

(should agree with cash, item #1 on Page 5)

- 2) Current building fund campaign amount due: (list years and pledges)

Year_____ Amt Pledged \$_____ Amt Received \$_____ Amt Due\$_____

Year_____ Amt Pledged \$_____ Amt Received \$_____ Amt Due\$_____

Year_____ Amt Pledged \$_____ Amt Received \$_____ Amt Due\$_____

Year_____ Amt Pledged \$_____ Amt Received \$_____ Amt Due\$_____

TOTAL AMOUNT DUE \$_____ (should agree with cash, item #6 on Page 5)

- 3) What was the starting date of your current campaign? _____
For how many years did you ask people to commit to the project? _____

NOTE: IS THIS A REFINANCE OF A LOAN FROM A LENDER OTHER THAN THE MICHIGAN AREA LOAN FUND? No Yes

(If Yes, omit the following items 1 - 10)

VII. COST OF PROJECT

- | | |
|---|---------|
| 1) Estimated cost of building to be erected or purchased. | \$_____ |
| 2) Furniture and fixtures to be installed. | \$_____ |
| 3) Architect's fee | \$_____ |
| 4) Sewers, water connections, paving to be installed | \$_____ |
| 5) Landscaping | \$_____ |
| 6) Parking facilities | \$_____ |
| 7) Fees, permits, insurance, performance bond | \$_____ |
| 8) Other costs: explain_____ | \$_____ |
| 9) Contingency (10% of cost. Larger projects may require 15%) | \$_____ |
| 10) *Estimated interest costs | \$_____ |
| 11) | |

(Estimate as 10% of funds to be borrowed, items 2-4 above)

- 11) The amount of existing indebtedness, if any, to be paid off from this mortgage loan. Please give a description of loans or other indebtedness:
\$_____

- 12) ** TOTAL FUNDS REQUIRED FOR PROJECT \$_____

COMMENTS _____

*Interest begins to be charged with the first pay-out from this loan and you will be billed for it.

** This figure must not exceed TOTAL FUNDS AVAILABLE on page 5.

NOTE: IF THIS IS A REFINANCE OF EXISTING INDEBTEDNESS COMPLETE ONLY ITEMS #2 & #8.

VIII. ESTIMATED FUNDS AVAILABLE FOR PROJECT

1) Cash on hand or in bank set aside for this project \$ _____

2) To be received by first mortgage from Michigan Area Loan Fund \$ _____

3) If applicable, participating first mortgage is from:

Name of Bank: _____

\$ _____ for _____ years @ _____% interest rate. Balance \$ _____

Do you have a firm commitment for the participating mortgage? ☐ No ☐ Yes

4) Second mortgage to be received from:

Name of Lender: _____

\$ _____ for _____ years @ _____% interest rate. Balance \$ _____

5) Net cash proceeds to be received from sale of property by time of construction \$ _____

Describe Property and nature of proceeds (lump sum or monthly?):

6) Balance due on current building fund pledge \$ _____

7) Prepaid expense - (architect) \$ _____

8) Other prepaid expense _____ \$ _____

9) ****TOTAL FUNDS AVAILABLE FOR PROJECTS \$ _____**

**** This figure must equal or exceed TOTAL FUNDS REQUIRED ON PAGE 4.**

IX. MOTION FOR CHARGE CONFERENCE ACTION

~~(STRIKE OUT ALL PARTS OF THE FOLLOWING MOTIONS NOT APPLICABLE)~~

A Church/Charge Conference of the _____ United Methodist Church was called by _____, Superintendent of the _____ District of the Michigan Annual Conference, in accordance with provisions of the Book of Discipline of the United Methodist Church and met on _____, 20____ with _____ Presided.

Moved by _____, Seconded by _____ That this body approve the following: Select One

- 1)
 - a. Construction of _____ at a cost not to exceed \$_____ in accordance with architectural plans and specifications approved by this body.
 - b. Refinancing loan(s) from sources other than Michigan Area Loan Funds for the sum of \$_____
 - c. Borrowing of \$_____ on a First Mortgage from the Michigan Area Loan Funds.
 - d. Borrowing of \$_____ from _____ Bank as a (construction loan).
 - e. Borrowing of \$_____ by Second Mortgage from _____
(Other than from Michigan Area Loan Fund).

- 2) Trustees of the _____ United Methodist Church are hereby authorized and directed to execute all loan applications and mortgages as specified above. The two signatories for the church shall be:

_____	_____
Trustee Chair	Trustee

_____	_____
Print Trustee Chair	Print Trustee

- 3) First American Title Company is hereby authorized to act as the title company and as disbursing agent for all proceeds of loans from Michigan Area Loan Funds.
- 4) _____ is the representative of _____ United Methodist Church in dealing with payment of any and all bills after same have been approved and certified by the supervising architect.

Motion Carried.

Signed: _____
Secretary

Witness: _____

****Please note new construction and new buildings need the District Board of Church Location and Building approval per the United Methodist Discipline.***

RECOMMENDATION OF BOARD OF TRUSTEES

Dear Friends:

We, the undersigned Trustees of the United Methodist Church shown below, after having been duly authorized by the Charge Conference, a copy of the minutes/action is attached, do hereby make application for a first mortgage, in the amount and terms as shown herein and we do therefore submit the following information:

Name of Church: _____ **United Methodist Church**

(The present, exact and full corporate name of the church as shown in the Articles of Incorporation).

Address:

Location of proposed building: ☐ church, ☐ parsonage, ☐ other building, ☐ existing building, ☐ new building

If applicable: Street address _____

located in _____ City, _____ Village,

_____ Township of, In _____ County,

Michigan, and in the _____ District, of the Michigan Annual Conference.

We belong to a ☐ Single point Charge, ☐ Multi point charge, consisting of _____ # of churches.

We hereby make an application for a First Mortgage Loan of \$ _____

for a term of five (5) years at _____ % interest and to be amortized over _____ years

creating a balloon balance at the end of five years needing to be refinanced or paid off.

This loan will be used in full for the following purpose of:

Signatures:

President of Trustees

Secretary of Trustees

Date: _____

EXHIBIT A
CONSENT OF PASTOR AND DISTRICT SUPERINTENDENT

The undersigned, being the Pastor and District Superintendent of _____ United Methodist Church, in _____ District, a Michigan Ecclesiastical Corporation, do hereby consent to the execution of the within mortgage in accordance with The Book of Discipline of the United Methodist Church.

The undersigned have reviewed the application and approve of the First Mortgage Loan in the amount not to exceed \$ _____

Signed - Pastor

Signed - District Superintendent

Print - Pastor

Print - District Superintendent

Date

Date

New Church Builds Only
RECOMMENDATION AND APPROVAL OF
THE DISTRICT BOARD OF CHURCH LOCATION AND BUILDING OF THE
_____ DISTRICT OF THE MICHIGAN ANNUAL CONFERENCE

This statement is to confirm the fact that the Board of Church Location and Building of the above-named District has studied and reviewed the preliminary and/or final plans and specifications and building location and/or reviewed the cost in connection with the following building to be built or purchased as shown below by the:

NAME OF CHURCH

Street Address, City, State, Zip Code

TYPE OF PROPOSED BUILDING

Proposed Street Address, City, State, Zip Code

In our opinion and based on facts submitted to the Board, this undertaking by the above church is / is not feasible and financially sound and we do / do not approve of this undertaking.

This includes:

Their plan of mission and ministry ☐ No ☐ Yes

Financial plans and ability to repay ☐ No ☐ Yes

Architectural plans No Yes

Date: _____ day of _____, 20_____.

Address of Chairman: Chairman

Street Address, City, State, Zip Code

Attest:

Secretary

This Statement is given subject to the following conditions:

DOCUMENTS NEEDED

REQUIREMENTS IF LOAN IS APPROVED:

(You will want to start collecting documents, use this as a check list.)

Please read again carefully the initial letter accompanying the application and our brochure.

1. A previous **Title Policy**, if available, covering the church property.
2. A copy of your latest **Michigan Corporation Report** filed with the Department of Licensing and Regulatory Affairs (LARA), Lansing Michigan
3. If not already in force, securing **Public Liability Insurance** for at least \$1,000,000.00 per occurrence and \$2,000,000.00 aggregate.
4. A copy of a **Warranty or Quit Claim Deed** which includes the legal description of the property, the legal name of your church, and the **Trust Clause** as required by the **Book of Discipline** of the United Methodist Church.

IF CONSTRUCTION IS INVOLVED:

5. One copy of the **Architect's contract**
6. One copy of the **Building contract**
7. A **Performance Bond – Labor and Material Bond**.
8. **Builder's Risk and Fire Insurance Policy** with extended coverage endorsement equal to the cost or replacement cost whichever is greater. The Mortgage clause must name as mortgagor the Missions and Church Extension Trust Fund.
9. Two copies of **Mortgage Survey** by an engineer, as a basis for title processing.
10. A **Mortgage Title Insurance Policy** – this will be secured by the First American Title Company.
11. If this loan is approved, you will be **invoiced for one half of one percent of the loan amount as a loan commitment fee**. Upon payment of the fee, these requirements, where applicable, will be repeated in a letter committing funds to your project.

Thank you for your inquiry and we anticipate receiving your application soon.

Applications should be sent to: Michigan Area Loan Fund

Attn: Karen Thompson,

3347 Eagle Run Dr NE, Suite B, Grand Rapids MI 49525

A Ministry Reminder:

**Remember: When you borrow from a bank, you build a bank
But, when you borrow from the church, YOU build another church.
Thank you, again.**