

Property Development & Loan Fund Regulations

OREGON CONFERENCE OF THE FREE METHODIST CHURCH

(For Annual Renewal)

Article I

NAME

The name of the loan fund shall be the Property Development & Loan Fund of the Oregon Conference Free Methodist Church

Article II

PURPOSE

The purpose of the Property Development & Loan Fund shall be to assist the societies of the Oregon Conference to purchase equipment and furniture, or to remodel church buildings and/or parsonages, through low interest loans and grants.

Article III

FUNDING

Section 1: The Property Development & Loan Fund may obtain funding by the receipt of gifts or bequests. The assets managed by the Liesinger Memorial Scholarship Fund Board of Trustees shall be invested in the Property Development & Loan Fund and, at its first meeting after the annual conference the Leadership Council shall annually determine the interest to be paid to the Scholarship Fund for the use of those assets. The Property Development & Loan Fund shall be established as a trust fund, separate and distinct from all other funds of the Conference.

Section 2: The initial assets for loans shall be \$600,000.00, including the current loans to Gresham and Eugene, the terms of which shall continue unaffected by the regulations here adopted. The initial assets available for grants shall be \$100,000.00. All other assets held by the Property Development & Loan Fund as of July 1, 2015, including any cash on hand and other outstanding loans will be released for use by the Oregon Conference of the Free Methodist Church.

Section 3: Income received by the fund through loans or investment of assets shall be used first for any expenses of the fund, including, but not limited to, interest paid in accordance with Section 1 of this Article and promoting and maintaining the fund, with the remainder being used to replenish the grant fund.

Article IV

OPERATIONS

Section 1: The operation of the Fund shall be under the direction of the Leadership Council which shall have full authority to approve loans and grants that are within in the parameters set in the regulations. Any exceptions to the terms and conditions set forth in these regulations for loans or grants must be approved by the Leadership Council.

Section 2: Operational duties, including obtaining documentation on loans to local churches, the collection of interest, and payment of expenses, shall be handled by personnel selected by the Leadership Council, which may include Oregon Conference employed personnel.

Article V

FIXED INTEREST FULLY AMORTIZED LOANS

Section 1: To be eligible for a loan a church must have been established as a society and have been current in all conference obligations for a period of at least twelve months prior to application.

Section 2: Loans shall be made to an organization for a maximum of \$50,000.00. (Or – The maximum amount outstanding of any loan from the fund to a single borrower shall not exceed \$50,000 at any given time.)

Section 3: All loan requests must be accompanied by minutes showing approval of the local church Board of Trustees (or the Board acting in that capacity) and Society.

Section 4: At its first meeting after annual conference the Leadership Council shall annually set the interest rate for all new loans, but that rate shall in all cases be no higher than allowed by law.

Section 5: The Property Development & Loan Fund supports two types of loans:

Paragraph A: Loans for the Purchase of Equipment and Furniture:

A1: Loans for the purchase of equipment and furniture shall be for no more than 90% of the cost of items purchased and for a term of not more than 5 years.

A2: Payments must reach the Conference bookkeeper on or before the due date each month. Payments that are not received by the due date will be considered late and will be assessed a late penalty equal to 5% of the payment.

Paragraph B: Loans for the Purpose of Remodeling:

B1: Loans for the purpose of remodeling will be for a maximum of 80% of the projected cost of the remodel for a term or not more than 7 years.

B2: Payments must reach the Conference bookkeeper on or before the due date each month. Payments that are not received by the due date will be considered late and will be assessed a late penalty equal to 5% of the payment.

Section 6: All loans will be made in accordance with the latest Book of Discipline of the Free Methodist Church.

Section 7: All loans shall be unsecured, but documented in writing by a promissory note in customary form consistent with these Regulations.

Article VI GRANTS

Section 1: To be eligible for a grant a church must have been established as a society and have been current in all conference obligations for a period of at least twelve months prior to application.

Section 2: A society may receive a grant once every three years.

Section 3: No grant can be awarded unless recommended by the conference superintendent and then approved by the Leadership Council.

Article VII AMENDMENTS

Any amendments to these Regulations must first be recommended by the Leadership Council with final approval by the Annual Conference. The Oregon Conference Leadership Council may approve amendments between Annual Conference sessions but they must be ratified by the next Annual Conference to remain in effect.