

REVOLVING LOAN FUND POLICY **[Amended June 26, 2018]**

1. The Revolving Loan Fund of the Presbytery of Huntingdon was established by funds from the unrestricted Mission & Program Budget, to which have been added interest payments on loans made from the Fund. The Fund may receive income from any source designated by presbytery.
2. The purpose of the Revolving Loan Fund is to make available low interest loans to the congregations of the Presbytery of Huntingdon for their capital needs.
3. In accordance with the Book of Order, all congregations seeking loans must receive the approval of their session and of their congregation at a duly called congregational meeting, and submit their request to the presbytery, through its Committee on Presbytery Life.
4. **Amount which may be borrowed:** The Trustees (Committee on Presbytery Life) of presbytery will make their decision on recommendation to presbytery based upon the congregation's need and ability to repay the loan while maintaining the mission and program of the Church, of the congregation and of the presbytery. Otherwise, the total amount to be loaned from the Fund to any congregation shall be no more than one half of the principal in the Fund at the time the loan is to be authorized. Trustees may recommend approval of a combination of borrowing from commercial sources and the Revolving Loan Fund, as circumstances warrant.
5. **Interest rate:** Each year, presbytery will establish the interest rate for the following year for its Revolving Loan Fund to be the discount rate plus one percent as of the date of the November meeting, to take effect January 1 of the following year. Existing loans shall remain at the established interest rate for the life of the loan.
6. **Length of loan:** The length of the loan will be determined in light of the total indebtedness of the congregation and the congregation's ability to pay.
7. **Loan contract:** Following approval by the session, congregation, and presbytery of the loan application, the applicant congregation shall sign and return a copy of the loan agreement, to be placed on file at the presbytery office. A copy of the loan agreement shall be recorded in the session minutes and the status of the loan reported annually to the congregation at its Annual Meeting. Funds will be disbursed upon receipt of the contract.
8. **Payment schedule:** Repayment will be made on a monthly basis beginning on the first day of the month following the initiation of the loan. A copy of the loan repayment schedule will be provided to the church and a copy placed on file at the presbytery office. Churches may make additional payments of principal at any time and early payoffs will be without penalty.
9. **Reporting:** The Treasurer shall make quarterly reports to the Trustees of presbytery of loan repayment status and annually to Presbytery of the status of all loans outstanding.
10. All repayments of loan principal and interest shall accrue to the Fund, and a proportionate share of the interest earnings of the invested assets of presbytery shall accrue to the Fund, according to the relationship of its current balance to the total assets of the presbytery.