

**FLORIDA BAPTIST CONVENTION
NEW WORK REVOLVING LOAN FUND
GUIDELINES**

Purpose

The New Work Revolving Loan is designed to assist churches affiliated with the Florida Baptist State Convention to establish new churches and missions.

Application Requirements

1. The New Work Revolving Loan is subject to the guiding principles of "Assistance to Churches and Missions."
2. When a New Work Revolving Loan is made to a constituted church sponsoring a mission, the sponsoring church is responsible for full repayment of the loan.
3. In instances where a church sponsors a mission but is financially unable to guarantee the monthly payments for a loan from the New Work Revolving Loan Fund, the Convention will permit the association to guarantee repayment of the loan. When this is the case, the association must be incorporated and have sufficient income to assure the repayment of the loan. The association will enter into a written agreement with the church and the Florida Baptist Convention guaranteeing the repayment of the loan through the sponsoring church.

Loan Requirements

1. A loan may be made from the New Work Revolving Fund in an amount up to \$250,000. These funds shall be limited to assist in the provision of a first unit only. It is recommended that a church or mission not borrow an amount large enough to cause its payments on debt service to be more than 33 percent of its annual income. No loan shall be approved which would cause the total debt service to be more than 45 percent.
2. Payments on the principal are not required during the first twelve months from the date of the loan. Interest shall be paid beginning one month from the date of the loan. Principal and interest shall be paid starting the thirteenth month and continuing until the loan is paid.
3. An interest rate of five percent (5%) annually will be charged, with an amortization schedule of up to 20 years, following the first year of interest only.
4. Normally the Florida Baptist Convention will hold a first mortgage on the property. However, the Convention will accept a second mortgage.
5. Should the sponsoring church have property donated as a gift for a new mission, the value for loan purposes is to be established by a qualified appraiser or realtor. The sponsoring church will take title to the properties involved. Trustees or authorized officers of the church will execute the mortgage and note in favor of the Florida Baptist Convention on the properties involved and in the amount of the loan.
6. When a transaction is not completed within one year from the date the commitment is made, the commitment must either be canceled or an extension must be granted.
7. The loan note will be credited with funds designated for the New Work Revolving Fund by the sponsoring church and/or the mission. Cooperative Program funds may not be designated as repayments on loans.

Adjustments

1. The executive director-treasurer is authorized to make such adjustments as may be deemed necessary, including such matters as substitutions, subordination, change in collateral security and extension of the maturity date of a note for a period not to exceed five years, provided the changes are in order and comply with Convention policy.
2. Under extreme circumstances, the State Board of Missions may consider a request from a church for a grant from the New Work Revolving Fund in order for the church to establish a new work. Under no circumstances shall the grant exceed an amount equal to the loan granted the church from the New Work Revolving Fund. In this instance, the property may not be sold or used for other than church purposes without the approval of the State Board of Missions.
3. Should a mission site be purchased by a sponsoring church utilizing funds from the Florida Baptist Convention and then later be sold and the property shall have appreciated in value, the Convention shall be paid a proportionately larger amount in accordance with the appreciated value of the property.
4. A sponsoring church or association may be relieved of financial liability for a loan made on behalf of a mission. The sponsored mission must be incorporated, and must show proof of financial capability of assuming responsibility for the mortgage. The parties involved in the original loan application must join in the request for transfer of liability.