

Metropolitan New York Synod, ELCA

LOANS TO CONGREGATIONS AND INSTITUTIONS

For General Distribution:

It has been long standing policy that this synod does not provide or service monetary loans to congregations or institutions. The assets and funds of the synod have been given in trust by members and congregations of this synod to be used for the general operating expenses of the synod, the support of its ministries and the care of its leadership. Further, a substantial portion of the synod's cash resources are either restricted or have been designated for particular purposes by the donor or Synod Council and cannot be diverted. It is the opinion of the synod's Financial Management Committee that this policy be continued.

Congregations and institutions in need of cash for capital needs or emergency repairs or any other purpose should investigate other resources such as the Mission Investment Fund of the ELCA, Thrivent Financial Services for Lutherans or commercial lending institutions.

For Internal Guidance of Synod Leadership and Staff:

Under very extraordinary circumstances the synod could provide (depending on the synod's own resources and cash needs at the time) for a minimal short term (no more than one year) "bridge loan" while the congregation or institution is awaiting settlement of permanent financing or other funding. Interest based on the current prevailing rates of the ELCA Mission Investment Fund would accrue on the loan. The accrued interest must be paid during the term of the loan on a monthly basis. These exceptional loans would be subject to Synod Council approval upon recommendation of the Bishop and Synod Treasurer.

To be considered, any request for a loan should comply with the following minimum requirements:

- The congregation must be able to demonstrate that prior to and during the term of the loan they have made Mission Support Commitments; that payments toward meeting those commitments have been and are being made on a monthly basis and that congregational annual reports (parochial reports) have been filed with the ELCA and Bishop's Office.
- The request must be in the form of a resolution adopted by the congregation (or governing board in the case of an institution) signed by the president (or board chair) and Pastor or chief executive officer and addressed to the Bishop.
- Provide evidence of an approved loan or funding from a third party that has reasonable assurance of settlement within 12 months or other assurances of how the loan will be repaid.
- Extension of loans for more than one year will not be considered without a renewed request and resolution from the borrower.
- The borrower must agree in writing that interest will be paid monthly. If interest payments are not paid when due the synod treasurer will call for immediate payment of the entire remaining balance.
- A note detailing the terms of the loan will be drawn by the synod treasurer and signed by two officers representing the borrower, the synod treasurer and one other officer of the synod.

The Bishop, treasurer, Synod Council and Financial Management Committee may require additional provisions.

Approved by Financial Management Committee: 6/15/2010

Approved by Resolution of the Synod Council on 9/11/2010