

## **PRESBYTERY OF SAN FERNANDO**

### **POLICY FOR PASTOR HOUSING ASSISTANCE FUND**

It is the intent of this document to provide guidance and help to Pastor Nominating Committees of churches with vacant pulpits, to the Presbytery committees which find themselves involved in the process, and to prospective incoming pastors in making use of the fund.

This Policy for Pastor Housing Assistance Fund will be administered by the Property and Finance Committee of Presbytery with the concurrence of the Committee on Ministry. The Property and Finance Committee shall report to the next stated meeting of the Presbytery all approvals of loan arrangements made within the guidelines of this policy statement.

#### Some Possible Options

1. Commercial sources for primary and secondary financing.
2. The local church Special Pastor Housing Assistance Fund (if it exists or can be created from local church member assets).
3. The Pastor Housing Assistance Fund of the Presbytery of San Fernando.

#### General Principles for Presbytery of San Fernando Pastor Housing Assistance

1. The Pastor Housing Assistance Fund of the Presbytery of San Fernando is intended to be a "last resort" fund source; therefore, all other sources must have been exhausted before application is made to the Presbytery for assistance.
2. Assistance from the Fund will be in the form of an unsecured loan to the church.
3. As long as Presbytery funds are available, as determined by the Property and Finance Committee, maximum assistance is \$40,000.
4. The value of the incoming pastor's house should approximate the average market value for the congregation.
5. Each application for assistance will be evaluated on an individual basis. After internal organization, each new Pastor Nominating Committee should establish a sub-committee to explore possible housing issues at the earliest possible time.

### Loan Specifics

1. Interest rate shall be determined at the time the loan is documented.
2. The loan transaction will be documented through a Letter of Understanding as to how the loan proceeds are to be used.
3. The trustees of the church will sign a promissory note. Terms of the note will be on a case by case basis as negotiated by Property & Finance.
4. In the event the property is sold, the note will become due and payable upon close of escrow. If the pastoral relationship is terminated prior to the term of the note, it will become due and payable six months after the date the pulpit is declared vacant.

### Eligibility Requirements

1. Presbytery Pastor Housing Assistance Fund will be available ordinarily to small churches only (200 or fewer members).
2. Any exception to this provision will be in the form of a recommendation by the Property and Finance Committee to the Presbytery for its approval.

### Application Procedure

Requests for such assistance must be supported by an application with information that will allow the Property and Finance Committee to reasonably ascertain how the loan will be repaid, including:

- a. Current budget.
- b. The originally approved budget of the most recently completed year.
- c. Most recently completed yearly expenditures.
- d. Complete statement of all financial assets and liabilities.
- e. Current membership.
- f. Tentative terms of the Call.
- g. Any available financial assistance provided from church or individuals within the church.

This policy document supercedes any and all other Pastor Housing Policy statements approved and accepted by the Presbytery of San Fernando.