

**Baltimore Washington Conference
Washington Region
District Board of Church Locations and Buildings**

Proposal Requirement for Loans: *Church Refinancing Existing Loan, or Borrowing Funds for New Church Building, or Remodeling.*

Each church to review the related articles in the Discipline before submitting proposals

Review 2012 UMC Book of Discipline, Chapter Six. Section VI. Local Church Property;

Paragraph **2540**- *Unincorporated Local Church Property*; or

Paragraph **2541**- *Incorporated Local Church Property* (whichever is applicable).

Note: When a proposal is complete, a request may be processed for consideration by the Board via email. If you have any questions, please email Board Chairperson, or your District Superintendent.

Each church shall provide the following information to the Board:

A. Cover Letter:

1. A summary statement on the proposed action and the need for the proposed loan.
2. A written statement on the church's current program of ministry; and the future missional needs of the church and community.
3. A written indication of the process used to determine lender, loan product (interest rate, lender fees, etc.) and how it compares to other lenders for your area.
4. A written statement on how the borrowed funds will be used by the church.
5. A copy of the church's 3-5 year financial plan for defraying the cost of the proposed action, to include an estimate of the amount the membership can contribute in cash and pledges of the amount borrowed.
6. An indication on whether your church is unincorporated or incorporated as referenced above in the UMC Book of Discipline.

B. Required Enclosures:

1. Minutes from the Charge Conference indicating proposed action has been authorized.
2. Indication that this proposed action has been approved by the church's Trustee Board.
3. Written consent of the Pastor that the proposed action is necessary.
4. Written consent from the District Superintendent on necessity of the proposed action.
5. A copy of Loan Document being submitted for approval with the exact terms and conditions of the Loan including prepayment options, fees, and proposed settlement date and cost of the loan.