

## WEST OHIO CONFERENCE of the UNITED METHODIST CHURCH

We want to inform you that the Connectional Ministries, Disciple Making Church Lead team continues to serve diligently to provide resources and training in making disciples of Jesus Christ for the transformation of the world.

One of our more recent assignments of responsibility has been to formulate a process for our churches to access funds previously titled the "Extension Ministry Loan Fund." Pertinent to that process is to communicate to all districts and churches that West Ohio has an "Expansion Loan Fund" and encourage districts to assist in communicating the loan process.

The Disciple Making Church, Revitalization team has been faithful in revising the forms and providing guidelines by which to access funds.

We encourage you to carefully review the guidelines to better understand the purpose and process for this loan. We also encourage you to make churches aware that these funds are available at a reasonable interest rate to financially qualified applicants for new construction, the purchase of land and improvements to existing real property.

An application packet consisting of a copy of both the guidelines and application is available at the district office rather than the Conference Center. However, the guidelines and application forms are on the WOC Disciple Making Churches web site at [www.westohioumc.org/dmc](http://www.westohioumc.org/dmc). You are provided a link to access the forms and the guidelines.

These documents are reasonably self-explanatory. However, if you have any questions, please contact Rev. Gwen Roberts at the WOC office [groberts@wocumc.org](mailto:groberts@wocumc.org) or 614.844.6200. Inquiries will be forwarded to the Disciple Making Churches/Revitalization Team in order to provide a response in a timely manner.

### **Expansion Loan Fund Guidelines**

Revised 12/29/09

*"Suppose one of you wants to build a tower. Will he not first sit down and estimate the cost to see if he has enough money to complete it? For if he lays the foundation and is not able to finish it, everyone who sees it will ridicule him, saying, „This fellow began to build and was not able to finish. “*

*Luke 14:28-30*

1. Applicants may obtain an application packet for the Expansion Loan Fund through their district office and online at [www.westohioumc.org/dmc](http://www.westohioumc.org/dmc).
2. Expansion Loan funds may be used for and will be considered for approval in the following order of priority:  
New construction  
Purchase of land  
Improvements to real property (i.e., renovation/addition; capital improvements to existing structures)
3. The interest rate is fixed at 5%.
4. The maximum loan length is 10 years.
5. The total dollar amount of approved loans from the Expansion Loan Fund will not exceed \$100,000 in any one calendar year.

6 Payments must be made through a monthly debit ACH transaction from the borrower's checking or savings account.

7. Borrowers may not be obligated to more than one Expansion Loan Fund note and mortgage at any given time.

8. If the loan request is for the purchase of real estate or new construction, the applicant must first complete the following disciplinary requirements:

**¶2540 Incorporated Local Church Property—Sale, Transfer, Lease, or Mortgage**—*Any real property owned by or in which an incorporated local church has any interest may be sold, transferred, leased for a term of thirty days or more (which shall include leases for less than thirty days if such a lease is consecutive with the same lessee), or mortgaged subject to the following procedure and conditions:*

*1. Notice of the proposed action and the date and time of the regular or special meeting of the members of the corporate body—i.e., members of the charge conference at which it is to be considered—shall be given at least ten days prior thereto from the pulpit of the church and in its weekly bulletin, newsletter or electronic notice or other means if required or permitted by local law.*

*2. A resolution authorizing the proposed action shall be passed by a majority vote of the members of the corporate body present and voting at any regular or special meeting thereof called to consider such action and a majority vote of the members of the charge conference, if the corporate members are different than the charge conference members.*

*3. The written consent of the pastor of the local church and the district superintendent to the proposed action shall be necessary and shall be affixed to or included in the instrument of sale, conveyance, transfer, lease, or mortgage. Prior to consenting to any proposed action required under this paragraph involving any United Methodist church property, the pastor, the district superintendent, and the district board of church location and building shall ensure that—(a) a full investigation shall be made and an appropriate plan of action shall be developed for the future missional needs of the community; (b) the transfer or encumbrance shall conform to the Discipline; (c) the congregation, if no longer to continue as an organized United Methodist church, does not sell but may transfer title of its facilities to another United Methodist church or agency; and (d) the congregation, in case of relocation, first offers its property to a United Methodist congregation or agency at a price not to exceed fair market value. The district strategies or other missional strategies should include the ministries of both United Methodist congregations and the community where the existing facility is located. Certification by the district superintendent shall be conclusive evidence that the transfer or encumbrance conforms to the Discipline. The requirements of investigation and the development of a plan of action shall not affect the merchantability of the title to the real estate or the legal effect of the instruments of sale or transfer.*

*4. The resolution authorizing such proposed action shall direct and authorize the corporation's board of directors to take all necessary steps to carry out the action and to cause to be executed, as hereinafter provided, any necessary contract, deed, bill of sale, mortgage, or other written instrument.*

*5. The board of directors at any regular or special meeting shall take such action and adopt such resolutions as may be necessary or required by the local laws.*

*6. Any required contract, deed, bill of sale, mortgage, or other written instrument necessary to carry out the action so authorized shall be executed in the name of the corporation by any two of its officers, and any written instrument so executed shall be binding and effective as the action of the corporation.*

9. If the loan is for the purchase of real estate or new construction, preliminary plan approval must be obtained in accordance with the West Ohio Conference Building Program Policy (*Journal Volume II, Record of the Annual Conference, June 6-9, 2002 with consideration of any changes required by the 2008 Book of Discipline of the United Methodist Church*) which states: *Receive approval from the District Board of Church Location and Building for your preliminary architectural and financial plans. The Committee will consider feasibility and whether or not the plans fulfill the needs outlined in the long-range plan. Conference guidelines stipulate a minimum of 1/3 of the total project costs be in hand prior to ground breaking, 1/3 of costs committed during the construction phase, and 1/3 of the cost be in a longer term loan of up to 10 years.* A copy of the written approval from the District Board of Church Location & Building and a copy of the corporate resolution from the local church board authorizing the acquisition of a loan are required attachments to the loan application.

10. If the loan request is for the purchase of real estate or new construction, an appraisal is required at the expense of the applicant.

11. If the loan request is for the purchase of real estate, a copy of the accepted contract is required.

12. Applications and all required attachments as listed on the application are to be submitted a minimum of 8 weeks prior to the need for funds to:

Rev. Gwen Roberts  
DMC Expansion Loan Fund  
West Ohio Conference of the United Methodist Church  
32 Wesley Blvd.  
Worthington, Ohio 43085

13. All communication regarding loan applications will be conducted directly between the applicant and the Disciple Making Churches/Revitalization Team of the West Ohio Conference.

14. The Disciple Making Churches/Revitalization Team will consult with the finance office of the West Ohio Conference as needed to accurately determine the financial viability of the loan request.

15. The Revitalization Team will review applications and submit approval recommendations to the Disciple Making Churches Team for final determination.

16. The applicant will be notified in writing of loan approval or denial.