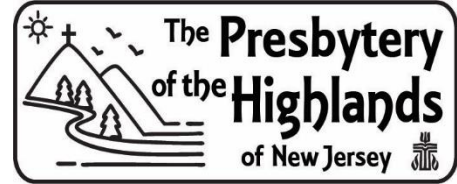


**Presbytery of the Highlands of New Jersey
CAPITAL CONSTRUCTION LOAN FUND
GUIDELINES**



PURPOSE: This fund shall be used to provide capital funds for churches within Highlands Presbytery which are engaged in the construction of new buildings, the expansion of existing buildings, site acquisition, site improvement or site expansion. The word "buildings" includes sanctuaries, educational facilities, all-purpose units, and manses. This shall not include church owned cemeteries or auxiliary buildings except as defined above. This capital fund is a revolving fund in which both interest payments and repayment of mortgages or notes revert back to the original source and thus become a continuing source of aid.

ELIGIBILITY: All churches in the Highlands Presbytery are eligible if they meet the following requirements:

1. The church will provide demonstrable assurance of repayment.
2. All required forms and requested information are submitted by the church to Property and Insurance Team

TYPES OF LOANS: All loans shall be considered as General Loans secured by either a promissory note or a mortgage. The maximum Presbytery loan to congregations shall be \$20,000.

INTEREST RATES AND REPAYMENT:

1. The actual rate of interest for an approved loan will be 2% below the prime rate of interest, at the time of the loan, for up to 5 years and 1% below the prime rate after 5 years.
2. Deferral of interest and principal payments (silent periods) on projects that do not have the immediate ability to repay shall be available.
3. There shall be no penalty for prepayment of principal.

EXCEPTIONS: Exceptions to the guidelines may be authorized by Presbytery upon recommendation from Property and Insurance Team