

LOAN / MORTGAGE APPLICATION TORONTO UNITED CHURCH COUNCIL

CONGREGATION OR MISSION UNIT

Name:

Address:

Phone:

ORIGINATION FEE

A non-refundable origination fee will be made at the time the loan application is presented. The origination fee for loans under \$10,000 is \$150, the fee for loans between \$10,001 and \$50,000 is \$250, and for loans over \$50,001 the fee is 0.5% of the loan request with a minimum of \$500. The purposes of the fee is to offset the direct costs of TUCC pertaining to the administration and accounting of your loan at the time of application and during the first term (including but not limited to staff time and travel, audit fees, office costs, and Board expenses).

Cheque payable to Toronto United Church Council is enclosed:

CAPITAL PROJECT TYPE

Capital Repairs / Renovation
Health & Safety Retrofit Accessibility
Retrofit Environmental
Sustainability Retrofit New
Construction
Property Acquisition

Other (specify):

FINANCING

Amount required: \$

Repayment period: 3 years (maximum for under \$10,000)
5 years (maximum for \$10,001 to \$25,000)
10 years (maximum for \$25,001 to \$50,000)
15 years (maximum for \$50,001 to \$100,000)
25 years (maximum for over \$100,001)

Special financing requirements: (If this is a bridge loan and/or a loan for which you are requesting special considerations, describe the arrangements you seek.)

CAPITAL FUND RAISING

Is the congregation or mission unit undertaking a capital fund raising campaign specifically to assist with the financing of this project? Yes No

If yes, would the congregation or mission unit be willing to sign an undertaking that net gifts and pledges received from the campaign would be directly applied to TUCC debt reduction? Yes No

If No, provide details of how funds may be otherwise directed:

STATUS OF PROPERTY

For all loans, regardless of size and/or nature of the security, the following must be provided:

1. Property Insurance information -

Name of insurance company:

Policy number:

Replacement cost guarantee: \$

For all loans that will require a mortgage as security (normally over \$50,000), the following must be provided. (Please note that TUCC reserves the right to place a mortgage on the primary property for security purposes regardless of amount borrowed).

2. Legal description of property:

3. Assessment Roll Number of property:

- 4 Will a municipal site plan be registered on title as a result of the project?

Yes No

5. If TUCC cannot place a first mortgage on the property, give reason:

REQUIRED INFORMATION

The following information **must** accompany this application – Please check box to confirm that the requested information accompanies this application.

1. A brief narrative describing the nature of the project (what is being undertaken and why it is required).
2. The most recent Annual Report of the congregation or mission unit.
3. The most current financial statement for the congregation or mission unit.
4. The budget for the capital project for which financing is being requested including all anticipated costs and income sources together with date(s) for the loan advance/advances you will require.
5. The full contact information for the following people (**name, address, phone, fax and email**):

For congregations -

- The designated Contact Person for this application
- The Minister
- The Treasurer
- The full membership of the Board of Trustees
- The lawyer for the congregation (if a mortgage is to be placed)

For mission units -

- The designated Contact Person for this application
- The Executive Director or equivalent officer
- The Finance Officer / Treasurer
- The Signing Officers of the Board of Directors
- The lawyer for the mission unit (if a mortgage is to be placed)

ADDITIONAL INFORMATION

Any additional information you feel would be helpful to TUCC in assessing this loan application. This may include but is not limited to:

- A record of the previous year's giving pattern for the congregation setting out the number of contributors in dollar range increments (if not included in the Annual Report).
- A narrative setting out the demographic changes in the community and/or congregation.
- A five-year projection for membership, program and finances.

ACKNOWLEDGEMENT

By signing this application, the applicant acknowledges the following matters pertaining to the approval process and management of the loan:

1. The applicant acknowledges that any **unrestricted capital reserves** it holds in excess of \$25,000 are either being applied to the project being financed or provided as collateral through a deposit in TUCC's *Investing In Ministry Fund*.
2. If and when required, the applicant is responsible to seek **permission from the Regional Council** to carry out the capital project and/or to mortgage the trust property, to provide that court with the information it requires to make its decision, and

to have the appropriate officer of the court communicate its decision in writing to TUCC (see *The United Church Manual, 2016, Section 2.1.3*). This application is deemed to be incomplete until TUCC receives in writing the resolution of the Regional Council.

3. The term for a loan or renewal shall normally not exceed three years; however, a term equal to the amortization period will be available for loans and renewals with an amortization period of five years or less. All renewals technically new loans and, therefore, must receive Regional Council permission for the renewal if security continues to be a mortgage on the trust property. Upon each renewal, a **non-refundable fee** will be invoiced and paid 90-days prior to the renewal date. For renewals under \$10,000, the fee is \$150, and for renewals over \$10,001 the fee is 0.25% of the outstanding balance with a minimum of \$250. The purposes of the fee is to offset the direct costs of TUCC pertaining to the administration and accounting of your loan at the time of renewal and during the term (including but not limited to staff time, audit fees, office costs, and Board expenses).
4. If and when the loan is approved or renewed, the legal expenses of TUCC's lawyers in acquiring, preparing, updating and registering a first mortgage on the property **are the responsibility of the applicant**.
5. All borrowers for loans over \$50,000 must obtain independent legal advice regarding mortgage documentation and the related terms and conditions associated with the loan.
6. Draws on borrowed funds may not be permitted until TUCC's security (promissory note or mortgage) has been signed by the applicant's Trustees and appropriately registered. For this reason, the applicant should attend to administrative requests from TUCC and TUCC's lawyers in a timely manner.
7. The application is terminated if the first draw is not forwarded within three months of the approval. Amounts drawn must be in increments of \$25,000 or more to a maximum of three draws. Draws will be deemed as being complete six months from the approval date unless a request for an extension is granted by TUCC.
8. Repayment is by way of **pre-authorized bank withdrawals** unless otherwise agreed to by TUCC. The forms for this service will be forwarded to the borrower and must be signed and returned no later than 2 weeks before the first regular payment is due.
9. All borrowers are required to have valid and current property insurance remain in place on the mortgaged property for the life of the loan. The borrower **must** supply TUCC with a new *Certificate of Insurance* **on or before the date of each annual insurance renewal**. TUCC must be added as an "additional insured" on the policy. **A late fee may be applied** by TUCC if the annual Certificate is not received by the date required.

Signature of applicant

Print name:

Title:

Date:

Signature of applicant

Print name:

Title:

Date:

(Signatories are normally the Chair of Trustees, the Treasurer, Chair of the Board, or other officers with the authority to bind the congregation/mission unit in a loan contract.)