

## Section 13

# BORROWING BY PARISHES

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The BOA, on behalf of CB&L administers funds which are loaned to parishes and other organisations within the Methodist Church of New Zealand and to Union and Cooperating Parishes. The terms under which loans are made have been reviewed and revised.

### Church Building and Loan Fund Building Loan

#### Purpose:

To assist parishes and other Church organisations in financing building projects.

#### Principal:

Loans of up to \$100,000. In exceptional cases, applications over this amount will be considered by the Methodist Connexional Property Committee.

#### Term:

Up to 10 years. In exceptional cases, applications over this term will be considered by the Methodist Connexional Property Committee.

#### Interest:

Rates are set at 90% of current trading banks' floating home mortgage rates and are reviewed whenever there are any movements in such rates.

#### Special condition:

In order to assist the parish (or other borrowers) in managing its finances during the first two years of its programme, the Board will grant a rebate of the interest element in the loan for that 24-month period. The monthly instalments during this period will generally be about two-thirds of the normal instalments, with interest at 2.5% plus principal.

#### Repayment:

The Borrower will be required to make monthly repayments of equal amounts during the term of the loan, subject to a change in the rate of interest. Those repayments will be of both the principal and interest.

### BOA Special Account

#### Special Loans

Occasionally parishes may find they need funds for up to six months while property transactions are being completed. Bridging finance can usually be provided by the BOA Special Account at terms subject to negotiation. The principal is usually repaid at the conclusion of the arrangement, although part repayments are possible.

## General

### Applications:

The application for a CB&L loan is included in the "Application Form", Appendix 1 at the back of this handbook, and is also available on the MCNZ website.

### Assistance:

Advice on planning and financing of building projects is readily available from the Insurance and Property Manager on behalf of MCPC.

### Remittances and charges:

The banking system provides a service that enables regular and recurring amounts to be transferred from the Borrower's bank account to the Church's Fund account, with Direct Debiting facilities being available.