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## Decision Profile

### Loan Development Fund Church Agreements

#### Decision Required:

To provide direction to the District Superintendent regarding church loans which are out of compliance with their terms of repayment.

#### Why It's Coming to the Finance Committee:

The Finance Committee has the authority to approve Loan Development Fund applications and to review the application of the terms of those loans.

#### Background:

There are church loans that have been outstanding for a number of years. As noted on the Condition Report of May 1, 2023, it is clear that signed agreements on some church loans are not available. Some loans are old and need to be reviewed.

#### For Review:

1. **Chilliwack Chinese Alliance** – This loan agreement dated Jan 22, 2012 has a 15-year term. The church is making minimum payments, often interest only. The original agreement included a monthly subsidy which has now ended. This loan is unlikely to be paid within the next 4 years unless their monthly payment was almost 3.5 times higher than it is now.
2. **Richmond Alliance** – This loan was granted on Jan 27, 1992 on an unknown term. The church is making minimal progress and would need to increase their payments by at least 3 times what they are paying now to complete this loan in another 5 years, which would stretch this loan to a 36-year term.
3. **Summerland Alliance** – This on-demand loan was approved on March 3, 1999. To finish this loan within 5 years their monthly payment would have to increase by over 4 times their current payment. If they continued to pay at their current rate the loan would not be paid off until 2065.
4. **Timbers** – In March 2007 the church borrowed \$392,260.47 from the District. This amount was increased twice; by \$10,000 in April 2007 and another \$7,365.53 in June 2007. Over the term of these loans there have been extended periods of time when no payments or no principal payments have been made.



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**Options to Consider:**

1. Do nothing.
2. Require a new agreement to be signed with revised terms for the balance owing.
3. Call the loan and require that traditional financing with a bank or other lender be arranged.

**Recommendation/Motion:**

THAT the Finance Committee review the terms of church loans that are out of compliance with the terms of their agreement and determine any action(s) required.

