

APPLYING FOR A CHURCH LOAN

Listed below are the forms and documents needed to process a church loan request.

CHECKLIST

- Church Loan Application**, signed and dated (enclosed).
- Authorization and Consent form** (enclosed).
- Borrower's Resolution**, executed by the church secretary, to indicate which officers are authorized to borrow on behalf of the church (sample enclosed).
- Church Resolution** that states the loan amount and the signing and borrowing authority.
- Resume** or biography for the pastor.
- Personal Financial Statements** (enclosed) for the pastor and for any other person who will provide a guaranty of repayment for the loan. **Each guarantor on the loan must also provide personal income tax returns for the last 3 years.**
- Church Financial Statements** (Balance Sheet and Income Statement) prepared by an accountant for the last 3 years. If this loan request is to finance new property, also provide **financial projections/budget for one (1) year.**
- Bylaws**
- Articles of Incorporation**
- Real Estate Contract**, executed by both buyer and seller, if the property is to be purchased with loan proceeds.
- Evidence of Tax Exempt Status**
- Construction Plans** and specifications, cost estimates and proposed contracts, if any loan proceeds are to be used for construction or renovation. The bank may require bonding capacity on construction projects.
- An **Inspection/Appraisal** may be performed at the borrower's expense. ***In general, appraisals and inspections are not required until a loan decision has been rendered.*** By so doing, unnecessary expense to the borrower is avoided. Approvals are contingent upon receipt of a satisfactory appraisal and/or inspection.

Additional documents may be required to accurately and fairly evaluate your loan request. Should such documentation be necessary, you will be contacted and given the details.

What is the process to obtain financing?

1. Contact a Seaway commercial loan officer, who will discuss your request and gather basic information to help evaluate your situation and assess alternatives available to your church.
2. The lender will send you a Church Loan Application with a checklist of documents necessary for the bank to consider your request.
3. Complete the application and return it to the lender along with the requested information.
4. The lender takes your information and may call you with additional questions based on the information you submitted.
5. The lender informs you of the terms of an approval and sends you a commitment letter for your review.
6. Once all the terms and conditions are met, your loan is set for closing and funded.
7. **Church loan customers are expected to maintain their primary checking account at Seaway Bank.**

There is NO application fee.

What do lenders look at when considering a loan request?

In evaluating a loan request, we generally consider the following areas:

- **Trends** – The church's trends in membership base and tithers are among the factors used as indicators of the church's growth and effectiveness in ministering to the community.
- **Finances** – An analysis of the church's financial statements will be performed to determine if the church has sufficient cash to pay the proposed debt as well as cover the church's regular operating and ministry needs.
- **Collateral** – For loan requests that are to be secured by real estate, the church's land and facilities are evaluated as to value and condition.