

**INSTRUCTIONS FOR MAKING APPLICATION FOR A LOAN  
FOR  
THE LUTHERAN CHURCH EXTENSION SOCIETY OF BUFFALO, NY**

1. Please contact LCES Finance Committee Chair for information pertaining to specific loan products being offered and the interest rates.
2. The attached Loan Application must be completed and executed by the proper officers of the organization seeking a loan. You will need to mark which product you are applying for and set forth the interest rate(s) as given to you by the LCES Finance Committee Chair.
3. The Loan Application must be received by the President or Secretary of the Society at least five (5) days prior to a meeting of the Society's Board of Directors which meets the second Thursday of January, May and September and on such other special occasions which may be properly announced, from time to time.
4. Prior to submitting its application, the borrowing organization shall coordinate a preliminary review of its financials with the Society's Finance Committee to determine the best applicable product. Thereafter, the borrowing organization, shall submit its application, approved by its congregation, together with its supporting documents to the Finance Committee for underwriting. If the loan is being recommended by the Finance Committee for approval, two (2) representatives of the borrowing organization shall then appear at the meeting of the Board of Directors for presentation of their loan application. The Board of Directors shall then vote and, if approved, the two (2) representatives of the borrowing organization shall thereafter appear at the meeting of the Delegate Body to orally present the application and to answer any questions which might arise prior to vote by the Delegate Body.
5. The following items of information must be submitted with the Application to the Finance Committee Chair of the Lutheran Church Extension Society of Buffalo, New York:
  - a) Number of members and/or description of organization;
  - b) Prospects for growth;
  - c) Operating Account Income and Expenses compared to Budget for the past fiscal year;
  - d) Operating Account Income and Expenses compared to Budget as of the most recent month end of the current fiscal year;
  - e) Operating Account Income and Expenses Budget for the current fiscal year;

- f) Building Fund (or similar fund) balance as of the prior fiscal year end including income and expenses for that fiscal year;
  - g) Any Debt Repayment Fund or Investment Fund balance as of the most recent fiscal year end and the current month end;
  - h) Intended source of funds to service the LCES loan payments (i.e., Operating Account, Building Account, Investment Account or combination of these accounts);
  - i) Describe any current debt, including for each: original loan amount, interest rate, loan date, maturity date, loan payment amount and frequency, and balance outstanding as of the most recent month end;
  - j) Name, address and phone numbers of two (2) officers of the borrowing organization that are available to answer questions regarding loan request.
6. Following the approval of the loan application by the Delegate Body a Note will be prepared and sent to the borrower for completion, together with the Amortization Schedule(s) for the loan.
  7. Within twenty (20) days following the majority vote of the Delegate Body (assuming the funds are available) the borrower will be advised of the check's availability and requested to schedule an appointment with the Society Attorney, or appropriate officer of the Society, for the closing. At the time of the closing the completed Note and loan check will be exchanged. The closing date shall be considered the loan anniversary date. Borrower must close on the loan within six (6) months of the Delegate Body majority vote of approval. In the event that Borrower does not close within that time frame, Borrower must apply to the Society for an extension and the loan is subject to any interest rate(s) adjustment imposed by the Society's Finance Committee, as well as any request for resubmission of current financials to support the continued viability of the loan and any subsequent action of the Society's Board of Directors after such additional underwriting.
  8. The organization/borrower shall bring to closing an insurance binder showing that the mortgagee clause for property coverage and liability coverage list "The Lutheran Church Extension Society of Buffalo, New York" as mortgagee in an amount not less than the principal amount of the loan, as approved. Annual proof of such insurance coverage shall be furnished to the Lutheran Church Extension Society of Buffalo, New York, together as upon written request from the Society.

NOTE: By resolution of the Delegate Body (10/16/69) no loan will be made to any organization in excess of fifteen percent (15%) of the net assets of the Society as reflected in the previous Month End Treasurer's Report.