C O N T E N T S

1. Background of HENRIETTA M. KING MEMORIAL FUND
2. Purpose of Fund
3. Members of Administrative Commission
4. Trustee Responsibilities
5. Meetings
6. Loan Policies and Guidelines
7. Loan Application Review and Approval Process
8. Loan Application Form and Instructions
9. Small Loan Policies and Procedures
**BACKGROUND**

The Henrietta M. King Memorial Fund (HMKMF) was originally chartered in August 1927 as the "Memorial Equipment Fund of the Presbytery of Western Texas". Mission Presbytery voted in June of 1993 to rename the Fund the "Henrietta M. King Memorial Fund" and raised the loan limit from $30,000 to $50,000. The loan limit was subsequently raised to $75,000 to reflect current economic conditions. Although wording of loan policies has been revised a number of times, the purpose of the Fund has remained essentially the same: the HMKMF is for capital improvement and major equipment loans and not to be used for new church development.

**PURPOSE**

The HMKMF is a capital fund of Mission Presbytery to be used to provide loans to qualified churches for capital improvements to church-owned facilities to include new construction, renovation, major equipment replacement, or major repairs. Oversight of the Fund and loan program is provided by the Trustees of an elected Administrative Commission of Mission Presbytery.

**MEMBERS**

There will be at least nine Trustees serving at all times as Administrative Commission for the Fund. The nine Trustees must be made up of a combination of five ruling and four teaching elders or vice versa. There will be three Trustees each of whom are elected to a three year term. They may succeed themselves for another term for a total of six consecutive years. Trustees elected to fill an unexpired term may serve the remainder of the unexpired term and may succeed themselves for one full three year term. The Chairperson shall be nominated and elected by the Administrative Commission. A quorum needed to approve actions taken by the Commission must be at least six members.

**RESPONSIBILITIES**

The Trustees of the HMKMF are charged with the following responsibilities:

1. Thoroughly review and analyze loan applications to determine if the applicant church qualifies for the loan in accordance with established loan policies and guidelines.

2. Ensure funds for approved loans are distributed on a timely basis.

3. Review quarterly financial statements to ensure all loan payments are current, to determine funds available to be loaned, and to monitor income and return on invested funds.

4. Manage investment of available funds and move funds as necessary to achieve the greatest return while providing liquidity necessary to distribute funds for approved loans as soon as needed.

5. Ensure that the minimum cash balance does not drop below $75,000.

6. Make quarterly reports to the General Council and an annual report to Presbytery at the first stated meeting of each year.
MEETINGS

Ordinarily, the Administrative Commission will meet at the Mission Presbytery Offices. The Commission will meet a minimum of twice a year to review loan status and invested fund status for the Henrietta M. King Memorial Fund. The Trustees will meet as necessary to review loan requests received. To expedite the loan review and approval process, discussions and voting may take place by conference call, phone calls by the Chairperson, e-mail, or in-person. E-Votes can be taken using "yes" or "no" only and must be ratified at the next committee meeting and included in the meeting minutes.

LOAN POLICIES AND GUIDELINES

1. The Henrietta M. King Memorial Fund is for capital improvement and major equipment loans for church-owned facilities.

2. The Fund is to be considered as a last source for funding and NOT as a first source.

3. The limit to any church will be a maximum of $75,000.00, if funds are available, and for a maximum term of ten (10) years.

4. Loans made by the Fund will be at the San Antonio prime interest rate on January 2 of the year in which the loan is made less a maximum of 2%. The interest rate established at the time the loan is granted will remain in effect for the duration of the loan unless modified by a vote of the Trustees.

5. Application for loans should be submitted at least sixty (60) days prior to the need for the funds unless funds are needed for emergency repairs or equipment replacement. Application forms may be obtained from the Presbytery office or online at www.mission-presbytery.org under "Forms" or "Grants, Loans, and Scholarships".

6. Applications will be reviewed by the Henrietta M. King Memorial Fund Trustees within thirty (30) days of receipt of all required information but will be expedited if possible to meet emergency needs.

7. Applicants shall provide all forms requested. (See Appendix H-1)

8. The Trustees of the HMKMF may request any additional information as needed to make a decision on the application.

9. Trustees of the Henrietta M. King Memorial Fund will recoup from the Trustees of Mission Presbytery and/or the Church Development and Evangelism Commission any amount owed by a church when the property is sold or converted to other use besides the original purpose when the loan was made to include gracious separation settlements.

10. Trustees of the Henrietta M. King Memorial Fund may act on any adjustments to the interest rate or length of loans.

11. Churches will be encouraged to pay off loans early, if they can do so reasonably.
LOAN APPLICATION REVIEW AND APPROVAL PROCESS

Once the completed loan application is received at the Mission Presbytery office, Presbytery staff will e-mail copies of the application and any supporting information to all members of the Commission. The Chairperson will assign two Trustees with the responsibility for meeting with key members of the church requesting the loan as soon as possible. After all their questions have been answered and their due diligence related to the loan application is completed, they will e-mail their recommended action (approve or decline) along with the rationale for their recommendations to the full Commission.

The Chairperson will then call a meeting of the full Commission to review, discuss, and vote on the pending loan request. The Chairperson will then notify the Presbytery office and the loan contact person from the requesting church, of the Commission's decision.

If the loan application is approved, a note will be prepared by Mission Presbytery and sent to the applicant church's Session for their approval. The Clerk of Session and a Church Trustee will sign the note and forward it to the Chairperson of the HMKMF Trustees for their signature. The Chairperson of the HMKMF Trustees will return the signed application to Mission Presbytery for funding.

In the event the loan request is denied, the Chairperson of the HMKMF Trustees will offer the opportunity to meet with the full Commission to review further, clarify, or discuss their decision along with possible alternatives which might help the church secure funding from the HMKMF or other sources.

SMALL LOAN POLICIES AND PROCEDURES (Loans up to $5,000)

The purpose of the Small Loan Program is to make small loans of up to $5,000 for the purpose of adding or upgrading computer capabilities, office equipment, security systems, or other needed improvements without going through the formal loan process described in the LOAN POLICIES AND GUIDELINES section of this handbook.

These loans may be made for a maximum of $5,000 for a period of up to three years. The interest rate will be the same rate charged for the larger facilities improvement loans made by the Fund (the San Antonio prime interest rate on January 2nd of the year the loan is made less a maximum of 2%). Both the interest rate and length of the loan period will remain in effect for the duration of the loan unless modified by a majority vote of the Trustees.

LOAN GUIDELINES

1. Unlike the larger loans made for capital improvements or major equipment loans, the small loan included in this policy may be the applicant’s first source of funding.

2. Qualified churches may have one of the maximum $75,000, 10-year loans while also having one $5,000 maximum 3-year loan.

3. This loan may be applied for by sending a one-page letter to the HMKMF describing the purpose of the loan, the specific amount requested, and how the borrower intends to repay the loan within the 3-year period (e.g., monthly, quarterly, or semi-annual payments). The letter must be signed by the moderator and/or clerk of session.

4. The Fund will loan a maximum of $100,000 per year for the Small Loan Program, so these loans will be made on a first come, first served basis based on the availability of such designated funds.

5. The loan contract will be in the form of a simple promissory note.