



New Castle Presbytery (NCP)

Pandemic Assistance Loans

New Castle Presbytery Leadership has decided to extend its support of our churches from **August 31 to December 31, 2021**. The NCP reserve funds (based on market performance) remain available to help our congregations during these difficult times. Our Trustees have agreed to extend support to address financial implications that this crisis continues to cause. A focused concern is the financial ability of our congregations to pay staff during this time, to this end, we would like to share the following:

Covid Assistance Loans

Available starting November 14 through December 31, 2021, New Castle Presbytery is offering **Pandemic Assistance Loans**, that will provide term loans for payroll and other ongoing expenses. This package will be based on demonstrated need and require a sharing of financial information. Please review and complete the fillable application form available at:

<https://forms.gle/FJGAYU8rbjqQ4L9Q7>

Specifically, these funds are intended to assist your congregation with meeting payroll needs of your staff and other necessary expenses. Allowable expenses may include needs such as paying utilities, church janitorial expenses and staff benefits. Expenses not allowable in this program include building maintenance, repairs and renovations, new construction or repayment of mortgages, or other expenses that can be delayed.

This loan is not intended for congregations whose financial needs are above and beyond the pandemic's effects. Congregations applying will need to demonstrate through financial documentation their ability to handle loan repayment, per the terms of the loan.

TERMS OF THE LOAN

Loans may be made available for a maximum of \$20,000 per congregation. If a congregation received a grant under New Castle Presbytery's Stage One Emergency Crisis Grant program in 2020, the amount of the grant will reduce, dollar for dollar, the maximum amount available to the congregation as a loan.

Funds will be provided as a five-year LOAN at the prime interest rate (currently 3.25%) with no interest charged until June 2022. If the loan repayments are up to date, the five-year LOAN will convert to a GRANT when 50% of the loan principal is repaid.

Illustration:

Program Loan amount: \$10,000.00
Interest rate: 3.25%
Monthly payment: \$176.30

If all payments are made in full and on time, one-half of the principal will have been paid when the 32nd monthly payment has been received, with an additional principal payment of \$24.05.

To apply, you must:

- Have Session approval. (A session vote by email is permissible.) Your Session Clerk or Treasurer should sign the request letter on church letterhead. Presbytery approval is NOT required to apply for this loan. The following language is suggested for a Session Resolution:

The Session of (our church), taking action on (date), APPROVES the application for a five-year convertible loan from New Castle Presbytery in the amount of (amount here) to assist us in meeting our payroll needs and other critical expenses during this pandemic.

- Submit the fillable form online to include the session approval at: <https://forms.gle/FJGAYU8rbjqQ4L9Q7>
- Agree to engage with Presbytery leaders regarding your financial situation. That includes uploading the following documents with your online application:
 - Annual Report
 - Budget vs. Actual statements for 2020 and YTD 2021
 - Most recent bank and investment account statements
- Agree to the repayment schedule as noted above. This is a 5-year convertible Note at 3.25%, with the balance becoming a grant when 50% of the loan principal is repaid on time.

Please note: **This pandemic is causing New Castle Presbytery to reach into our “rainy day” emergency and reserve funds to assist congregations.** We hope that we can stretch these funds to their maximum benefit. You can help by reaching into your own “rainy day” funds as well, and not requesting more than your congregation needs at this time.

ADDITIONAL RESPONSE

Presbytery committees are continuing to work on longer term, missional responses to the pandemic. Information will continue to be shared on our New Castle Presbytery webpage (<https://www.ncpresbytery.org/covid-19-resources/>) and in our Mid-Week Musings newsletter as it becomes available.

Know that you remain in our prayers. We welcome hearing from you and your ideas, and we covet your prayers for staff and leadership as we continue to adapt.