

**Approved Amendment**  
**PRESBYTERY OF ARKANSAS SMALL CHURCH DIRECT LOAN**  
**POLICY**

**October 10, 2008**  
**Revised December 14, 2023**

Direct loans are small loans from the Presbytery of Arkansas Small Church Loan Fund to qualified churches for capital repairs, ministry initiatives, or “extreme makeovers” for struggling congregations participating in the Small Church Loan initiative of the Presbytery.

To qualify for this loan, a church should show a need to be financed by the Presbytery. Ordinarily, the interest rate will be zero (0) percent and the maximum amount of a loan will be \$25,000 per church.

The maximum term of any loan shall be ten years. The term of each loan will be determined on a case by case basis. If church property is sold before the loan is repaid, the small church loan will be repaid to the Presbytery after any Superior Liens are paid and before any other funds are disbursed.

Total loans will not exceed the total amount in the Small Church Loan Fund.

All requests must go to the Committee on Administration for approval.

An application would require:

- Plans and purposes for the loan
- Explanations of how the loan fits into the church’s mission and vision
- Current membership and average weekly attendance
- Description and value of church properties
- Current financial situation

Applications would include the following

- Narrative explanation for the request
- Contributions and Operating Expenses for prior three years
- Session Approved Annual Budget

Attachment  
Loan Agreement

Presbytery of Arkansas  
Small Church Direct Loan Agreement

1. Parties:

Borrower:

Church Name:

Church address:

Lender: The Presbytery of Arkansas.

2. Date of Agreement: \_\_\_\_\_.

3. Loan Amount: \_\_\_\_\_ Annual Percentage Rate: Zero (0) %

4. Promise to Pay: Within 120 months from the first day of the month following the date of this agreement.

5. Repayment: Borrower will choose one of the following methods of pay back:

a. Borrower will repay the amount of this note in 120 equal continuous monthly installments of \$\_\_\_\_\_ each on the \_\_\_\_\_ day of each month preliminary on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, and ending on \_\_\_\_\_, 20\_\_\_\_. Or

b. Borrower will repay the amount of this note in 40 equal continuous quarterly installments of \$\_\_\_\_\_ each on the \_\_\_\_\_ day of each month preliminary on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, and ending on \_\_\_\_\_, 20\_\_\_\_. Or

6. Prepayment: Borrower has the right to pay back the whole exceptional amount at any time or to increase the amount paid.

**Agreed:**

Borrower:

Lender: Presbytery of Arkansas

Date Approved by the Session:

Date Approved by the Presbytery:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Clerk of Session

\_\_\_\_\_  
General Presbyter