



Brethren in Christ
FOUNDATION

INFORMATION ABOUT CONGREGATIONAL LINE OF CREDIT DUE TO THE COVID-19 PANDEMIC

PLEASE READ BEFORE APPLYING

The Brethren in Christ Foundation is offering lines of credit (LOCs) to those BIC U.S. congregations who qualify for a loan. This is a short-term line of credit designed to assist congregations whose income has been negatively affected due to the COVID-19 pandemic. Please see below for the specifics about the line of credit loan program.

WHO CAN APPLY?

All BIC U.S. congregations are welcome to apply, assuming they meet the prerequisites listed below.

WHAT ARE THE PREREQUISITES TO APPLY?

Congregations must have been in existence for at least 18 months. In addition, if you currently have a loan with the Foundation, it must be in good standing.

IS THERE A DEADLINE TO SUBMIT AN APPLICATION?

Currently, the deadline to receive a completed application is August 1, 2020.

WHAT IS THE MAXIMUM AMOUNT WE CAN APPLY FOR?

For a congregation, the maximum amount of the line of credit is equal to two times your average monthly undesignated income for 2019, less funds received from the Paycheck Protection Program.

As an example, if your average monthly undesignated income (tithes, offerings, rent, interest, etc.) for 2019 was \$10,000, and you received \$15,000 from your PPP loan, then the maximum LOC for which you could apply would be \$5,000. (\$10,000 times 2, then subtract \$15,000.)

IS APPROVAL OF OUR APPLICATION GUARANTEED?

Loan approval is based on a number of factors, including but not limited to a congregation's financial health, current engagement with BIC U.S., and current relationship with the BIC Foundation. Approvals will be based on appropriate underwriting guidelines and therefore cannot be guaranteed.

HOW SOON CAN WE RECEIVE FUNDS?

Applications may be submitted now, and will be processed in as timely a manner as possible. However, no approvals will be granted prior to May 1, 2020.

HOW MUCH OF THE LINE OF CREDIT CAN WE DRAW?

You may request and use up to a maximum of your average weekly undesignated income from 2019 less the collected undesignated income for that week.

As an example, if your average weekly undesignated income in 2019 was \$2,000, and you collected \$800 in undesignated income this past week, you could draw \$1,200 from the LOC for that week.

WHEN CAN WE USE THE LINE OF CREDIT?

Draws on the LOC may be requested as often as weekly, but may be on a less frequent basis if that is preferable. Note that you may request a draw at any time for any part of the period going back to March 1, 2020. In other words, you may backdate your draw requests as far back as March 1, 2020.

Draws may be requested only up to the latter of November 1, 2020 or the lifting of COVID-19 restrictions.

WHAT IS THE INTEREST RATE?

The interest rate is variable and will be based on the Prime Rate plus 0.50% (currently 3.75%) as published in the Wall Street Journal on October 30, 2020, April 30, 2021, October 29, 2021, and April 29, 2022. Rates will then be adjusted on the first day of the following month, specifically November 1, 2020, May 1, 2021, November 1, 2021, and May 1, 2022.

WHAT IS THE TERM OF THE LOAN?

All principal and outstanding interest must be paid in full on or before August 1, 2022.

HOW DOES REPAYMENT WORK? WHEN ARE PAYMENTS DUE?

Payments are collected via ACH on the first business day of the month. Interest will begin to accrue on August 1, 2020. If the line of credit is repaid in full by November 1, 2020, the interest will be forgiven and no interest will be due.

If not paid in full by November 1, 2020, all interest accrued since August 1, 2020 will be due and payable on that date. Going forward, the minimum payment due will be the interest accrued since the last payment. Interest will be calculated on a Simple Daily Interest basis.

Principal can be repaid at any time, but all outstanding principal and interest must be paid in full by August 1, 2022.

HOW DO WE APPLY?

The application can be found at bicfoundation.org and also at bicus.org/resources/covid-19.

Fill out the application and resolution and email them to John Burns, Loan Officer, at the BIC Foundation (jburns@bicfoundation.org). Note that all application questions must be answered and all information must be provided. Incomplete applications will be returned.

WHAT IF WE HAVE ADDITIONAL QUESTIONS?

Contact John Burns, Loan Officer, with any additional questions at jburns@bicfoundation.org or 717-796-4788 x5438.