



Dear Clergy,

The United Methodist Foundation of Western North Carolina, Inc. is pleased to work in partnership with The Board of Pension and Health Benefits, Inc. of The Western North Carolina Conference and The Duke Endowment to offer the Clergy Debt Reduction Loan Program. This program was created out of the desire to help clergy and their families to escape paralyzing debt that can have a negative effect not only on the individual and family, but also relationships within the church family. We are accepting applications from individuals with low credit scores, however, at this time **we are not accepting applications from individuals with a previous bankruptcy history**. Our hope is that through participation in this program you will find new and healthy opportunities to be stewards of the financial blessings God has provided.

In order to participate in this program several documents must be completed in their entirety and returned to our office **no later than September 15, 2023**. Tabulated at the bottom, you will find the following:

1. Program Application
2. Personal Balance Sheet
3. Liabilities Detail
4. Credit Report Release Form
5. Student Loan Disclosure
6. Checklist

Please acquire the necessary signatures, make copies for your records, and email the signature pages to Brad Crossley of the United Methodist Foundation. If you have any questions you may contact Brad at 704-817-3990 or he may be reached via email at bcrossley@umfvnc.org. Please note that all financial information and any supportive documentation are considered to be "Confidential" and will only be shared with those necessary to process your application.

Once again, we are pleased to work with you and look forward to seeing how your life and ministry are transformed through participation in the program.

Sincerely,

A handwritten signature in black ink that reads "David A. Snipes".

David A. Snipes
President

Enclosures

START APPLICATION



Clergy Debt Reduction Loan Program

Creating good stewards of God's financial resources

FAQ

What is the Clergy Debt Reduction Loan Program?

This program is made available in an effort to relieve clergy of paralyzing debt that can result in physical, emotional, and spiritual burden. Clergy can apply for a loan to refinance student loan debt at a lower interest rate and simple interest to pay off the debt faster, and/or restructure consumer debt, tax debt, bank loans, etc. to a lower interest loan and *seek to become debt free*.

Who is this program for?

This program is for the benefit of active Clergy in good standing, physically residing within the geographical boundaries of, and serving at least ½ compensation time to an Episcopal appointment made by the Bishop of the Western North Carolina Conference of The United Methodist Church. **Note, the program is not available to clergy who have declared bankruptcy.**

What is loan qualification based on?

Loan qualification will not be based on credit score, but ability to repay as determined by the Clergy Debt Reduction Program loan team.

Will everyone that has the ability to repay be approved for a loan?

Not necessarily. There is a limited amount of funds available and the Clergy Debt Reduction Loan team will determine who will benefit most from receiving a low interest loan.

Is this program confidential?

Yes, this program is confidential and every attempt will be made to not reveal participant names or other sensitive personal information to anyone other than those required to process the loan application and loan documents. Information will be restricted, locked, and spoken of only during privileged communication.

Is this a scholarship or a grant program?

No. This is a loan program and repayment is expected. The Clergy Debt Loan balance may be pre-paid at any time without penalty.

What is the interest rate?

The interest rate is set at 1.5% simple interest for all loans. Actual payments will reflect outstanding principal plus interest of 1.5%.

Can I refinance student loans AND non-student loan debt into the same loan?

No, but you may have two loans with the Foundation.

Two types of loans are being offered:

- Student loan refinance with a loan term no longer than 15 years
- Clergy Debt Reduction Program for restructuring non-student loan debt with a term no longer than five years. Loan recipients agree to work with a mentor on a monthly basis until all debts are paid, including this loan.

Can I request a certain loan amount or that a particular debt is paid off?

No. The Clergy Debt Reduction Loan team will determine the amount and the structure of the loan based on disposable income determined on the applicants' current household income and current debts owed at the time of application. The debt will be restructured so the borrower can become debt free within the minimum amortization period possible using the formula for determining disposable income.

If I am married, is my spouse required to complete and sign the loan application documents?

Yes, if you are applying for a loan to restructure non-student loan debt. This program is designed for *clergy to become debt free* and the Clergy/spouse will agree to follow the instructions of a mentor. They also must agree NOT to incur any additional debt during the repayment period without written consent of the UMFWNC. Doing so is considered a breach of covenant and contract. In addition, the Clergy/spouse are required to sign the promissory note and participate in the program as outlined. Non-participation by the Clergy/spouse as outlined will be considered loan default.

If you are applying for a student loan refinance, the spouse might not be required to sign the loan application documents.

Can mortgage loans, auto loans, or other collateralized loans be included in non-student loan debt restructuring loans?

No, collateralized debt is specifically excluded from this program, but is included when determining disposable income.

Can Student Loans be deferred or forgiven?

No, This program does not have Income-Based Repayment (IBR), Perkins loan cancellation, deferment, or payment postponement options. Applicants who refinance old (or new) Federal student loans into a private loan irrevocably lose access to all of the flexible repayment and potential forgiveness programs available for Federal student loans.



Clergy Debt Reduction Loan Program

The information you provide will be used ONLY to process your loan request. Be assured that this information will be kept strictly confidential. All loans will be referred to by applicant #, not name.

On the following pages you will find the Application, Personal Balance Sheet and Liabilities Detail. Please complete in entirety. You may be asked to submit other documentation as needed to process this loan request. You may return the application by e-mail. The signature pages can be signed electronically and emailed to the Foundation.

All applications for this period of consideration are due by September 15, 2023. The United Methodist Foundation of Western NC will respond by September 30, 2023 notifying you if your application was approved and under what terms. Time is of the essence and all debts will be paid off by the Foundation by October 31st with your first payment on your new loan(s) starting December 2023.

Checks to your current lending institution(s) to pay off the balance of your educational loans or other creditors will be mailed from the Foundation office. You will be asked to provide statements and/or payment coupons with account numbers and payment remit to addresses.

The first payment by ACH debit on your new loan(s) will be due on the 7th day of each month thereafter until the loan is paid in full. Other pertinent loan payment details will be provided in advance and discussed in detail with you before you sign the Promissory Note that includes the details.

Return the completed electronic application to:

bcrossley@umfwnc.org

Mail or Email the signature pages (Program application, credit report release, student loan disclosure) to:

Mail:

United Methodist Foundation of Western NC, Inc.
Attn: Clergy Debt Reduction Loan Program
13816 Professional Center Dr. Ste 100
Huntersville, NC 28078

Email:

bcrossley@umfwnc.org



Application

DATE: _____

PREPARED FOR: United Methodist Foundation of Western NC, Inc.

General Questions

- Have you ever declared Bankruptcy? **If yes, stop here.**
- Are you under appointment (at least 1/2 time)? **If no, stop here.**
- Are you pension eligible? **If no, stop here.**
- Do you currently have a loan with UMF?
- Did you previously have a loan with UMF?

School(s) attended: _____
 Year(s) graduated*: _____
 Degree(s) earned: _____

* Must have graduated prior to application date

APPLICANT

Full Name: _____
 Phone (cell): _____
 e-mail address: _____

CO-APPLICANT

Full Name: _____
 Phone (cell): _____
 e-mail address: _____

Current Address

Street Address: _____
 City/State/Zip: _____

Current Address

Street Address: _____
 City/State/Zip: _____

Sensitive Personal Information

Social Sec. #: _____
 Date of Birth: _____
 Marital Status: _____

Sensitive Personal Information

Social Sec. #: _____
 Date of Birth: _____
 Marital Status: _____

of Members in Household: _____ (include self)
 # of Dependents: _____

Employment

Current Employer: _____
 Address: _____
 Position/Title: _____
 Phone (work): _____
 Since: _____

Previous Employer: _____
 Address: _____
 Position/Title: _____
 How Long: _____

Employment

Current Employer: _____
 Address: _____
 Position/Title: _____
 Phone (work): _____
 Since: _____

Previous Employer: _____
 Address: _____
 Position/Title: _____
 How Long: _____

Income

Current Salary, Wages (monthly): _____
 Other Income (describe): _____

Income

Current Salary, Wages (monthly): _____
 Other Income (describe): _____

Certification

By signing this form, I certify that the information provided in this statement is true and correct. I further certify that the information provided in the supplemental schedules are also true and correct.

x _____
Applicant Signature Date

x _____
Co-Applicant Signature Date

Personal Balance Sheet

*List Details on Liabilities Tab

Assets		
Category	Item Description	Value
Cash and Cash Equivalent	Checking accounts	\$
Cash and Cash Equivalent	Savings accounts	\$
Cash and Cash Equivalent	Other	\$
Investments	Stocks/Bonds/Mutual Funds	\$
Properties	Real Estate	\$
Retirement Savings	Retirement accounts	\$
Miscellaneous	Other	\$
Total Assets		
Liabilities (enter as negative numbers)		
Category		Balance Owed
Mortgages		\$
Auto loans		\$
Student loans		\$
Credit cards		\$
Home equity loans		\$
Tax debts		\$
Personal loans		\$
Other installment loans		\$
Other debts		\$
Total Liabilities		
Net Worth (Assets - Liabilities)		

CONFIDENTIAL

Liabilities Detail

*Should equal total liabilities on Personal Balance Sheet tab

*Tax debts - see Appendix, Schedule 1

Liabilities						
	Creditor Name	Type of Debt	Original Amount	Current Balance	Minimum Monthly Payment	Past Due (Y/N)
1			\$	\$	\$	
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
			* Total Liabilities			

Appendix: Supplemental Schedules

Schedule 1: Income Tax Liabilities Detail

	Due to (IRS/NC)	Tax Year	Current Balance	Minimum Monthly Payment
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
	Total			

Schedule 2: Other Comments

--



This form contains signature fields

AUTHORIZATION TO OBTAIN CONSUMER CREDIT REPORT

I/We authorize the United Methodist Foundation of Western North Carolina, Inc. to obtain a consumer credit report on me. The Foundation will use the consumer credit report to confirm my residency address, prior bankruptcy status, outstanding credit completeness, and to monitor outstanding credit changes. Authorization is further granted to report my loan balance and payment history to the credit reporting agency. I/We understand that this credit report will be retained on file and that the credit report will not be disclosed to anyone other than the Clergy Debt Reduction Program loan team without my prior written consent.

Upon my request, the United Methodist Foundation of Western North Carolina, Inc. will provide me with the name and address of the Consumer Reporting Agency contacted to supply the report. I/We understand that credit inquiries have the potential to impact my credit score. Applicants may request a copy of the credit report obtained with any possible derogatory information to be sent to the residence address and holds UMFWNC and any credit reporting organization harmless in so mailing the copy requested.

Any reproduction of this credit report authorization and release made by electronic means (e-mail, photocopy or facsimile) is considered an original.

Signature (borrower) _____ Date _____

Printed Name (borrower) _____

Signature (borrower) _____ Date _____

Printed Name (borrower) _____



Student Loan Refinance Disclosure

This document discloses some of the advantages and disadvantages of refinancing (sometimes referred to as private consolidation) with the Clergy Debt Loan Program offered by the United Methodist Foundation of Western NC, Inc. vs. Federal Direct Loan Consolidation. This document is NOT all inclusive and additional research is recommended before you sign the Promissory Note. You should also consult your tax advisor.

Potential benefits of the Clergy Debt Loan Program:

- Simplify payments by consolidating all private and federal student loans into a single loan
- Enjoy a lower fixed interest rate
- Repay loans faster
- Gain financial independence by refinancing without your current co-signer
- Best for borrowers with a stable income who are looking to lower their interest rate

Potential disadvantages

- Your payment may go up based on shorter loan term
- This program does not have Income-Based Repayment (IBR), Perkins loan cancellation, deferment, or payment postponement options. **Students who refinance old (or new) Federal student loans into a private loan irrevocably lose access to all of the flexible repayment and potential forgiveness programs available for Federal student loans. More information about student loan debt relief can be found here: <https://studentaid.gov/manage-loans/forgiveness-cancellation/debt-relief-info>**
- There is no medical or economic forbearance, including medical or economic hardship.
- The loan is not forgiven in the event of the borrower's death or permanent disability.
- The loan will not be forgiven even if your school closed or committed fraud related to your loans or educational service.
- Form 1098-E is provided to all borrowers. Interest may or may not be tax deductible. For additional information, please consult your tax advisor.

By signing below I acknowledge I have read and understand the content.

Signature (borrower) _____ Date _____

Printed Name (borrower) _____

Signature (borrower) _____ Date _____

Printed Name (borrower) _____



Clergy Debt Reduction Loan Program

Application Checklist:

- If applicable, include details on Liabilities Detail page &/or tax debts schedule
- Sign Program Application
- Sign Authorization to Obtain Consumer Credit Report
- Sign Student Loan Refinance Disclosure (if applicable)
- Provide copy of most recent pay stub (if under extension ministry appointment)
- Provide copy of most recent pay stub for non-WNCC co-applicant (if applicable)*

* This is only applicable when considering a loan other than student loan refinancing