

MARTINS MENNONITE CHURCH
PASTOR HOUSING FUND POLICY

August 30, 1995

Revised March 31, 2008

Martins Mennonite Church stands ready to provide for the pastor a "Pastoral Housing Fund" of \$30,000 to aid in the purchase of a house. This will be provided in the form of a loan, legally recorded as a mortgage on the house. It is to be an interest-bearing loan at the minimum rate as determined by the IRS. This loan would be available to the pastor for the duration of pastoral services to the congregation.

During the time of pastoral transition, or if the pastor does not need the loan from the congregation to obtain adequate housing, the Fund will be held intact, invested in an interest-bearing account for such a time when the Fund is needed for a pastor.

TERMS OF AGREEMENT

1. Once the pastor has been informed of this Fund by the PCRC, a formal request shall be made by the pastor to the Stewardship Committee requesting the use of the Fund and the desired dollar amount to be borrowed.
2. The Stewardship Committee shall review each request on a case-by-case basis, taking into consideration factors such as whether the pastor is full-time or part-time, pre-existing financial obligations of the pastor, and total funds being borrowed (from all sources) for the purchase. In no case shall the total funds borrowed (including any approved monies from the Fund) exceed the reasonably appraised price of the property being purchased. The Stewardship Committee shall then present a recommended Agreement to the Church Council specifying the amount and terms of the loan to be offered.
3. Due to the possibility of death or other catastrophic situations, the advisability of carrying term life insurance during the length of the loan shall be considered by the Stewardship Committee and may be included as one of the terms of the Agreement.
4. When the Church Council has approved the Agreement and it has been signed by the pastor, the pastor's spouse, the Stewardship Committee Chair, and the Legal Secretary, the Pastor Housing Fund custodian will be authorized to issue the funds, prior to the date of settlement, to the appropriate third party.
5. The pastor is free to utilize the loan as long as the term of pastoral service at Martins is in effect. The pastor shall return the loan monies to the church no later than 60 days after the date of termination so that the funds would then be available for the next pastor at Martins.

6. Martins Mennonite Church shall hold a junior mortgage on the pastor's residence as long as the pastor continues to utilize the funds. Once the funds are repaid to the Church, this junior mortgage shall be terminated by the Church.
7. The pastor may prepay the loan to Martins Mennonite Church, at any time and in any amounts, prior to the date of termination or the 60-day extension thereof. Any payments made toward principal or interest shall be deposited back to the Pastor Housing Fund.
8. Any legal costs incurred with the filing of the mortgage, etc., shall be the responsibility of the pastor.
9. In case of extreme circumstances, the PCRC, in collaboration with the Stewardship Committee, may negotiate exceptions to the above Terms of Agreement. Any exceptions must be affirmed by the Elders and approved by Church Council.
10. The term "pastor" as used throughout this document shall be interpreted to mean any paid member of the pastoral staff of Martins Mennonite Church.

MARTINS MENNONITE CHURCH PASTORAL HOUSING FUND BACKGROUND FOR
INITIATING THE FUND:

1. Providing adequate housing for pastors in this community will continue to be costly.
2. Pastors are frequently required to move, often unexpectedly.
3. A caring congregation that is calling a pastor senses a need to provide adequate housing for the pastor.
4. Pastors should also have the experience of home ownership and equity increase through property appreciation..