

April 2019

SDES Loan Application Cover Letter

The Sage District Extension Society no longer gives Grants. This practice was discontinued about 12 years ago.

1. SDES loans are configured in two parts: 60% of the total loan would be a 'Builders Club' loan that has no interest – the other 40% of the loan would be a General Fund loan on which interest is charged.
2. Maximum loan amount is \$30,000
3. Usually the entire loan must be paid off in three years.
4. The Building Club loan must be paid off first (usually 18 months).
5. Interest begins on the General Fund loan from the date that the loan check is cashed. Interest is compounded quarterly & added to the general fund loan principle until the Building Club portion of the loan is paid off.
6. The General Fund loan principle with its' accumulated interest is the starting principle as this part of the loan paid off (again usually in the next 18 months). Interest is then charged paid monthly as part of the loan payment.
7. The Interest rate on the General Fund loan is calculated starting with the current rate for a similar loan at the United Methodist Development Fund. A church is then entitled to a reduction of $\frac{1}{4}$ of 1% per year for each of the previous four years that the church has paid the Conference 'Asking' for the Sage District Extension Society.
8. The Board of Managers can be contacted to request possible different terms, loan amounts, & conditions for your loan request.