

<b>TITLE: Clergy's Residence Account</b>	<b>NUMBER: C-7</b>
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## CLERGY RESIDENCE ACCOUNT

### BACKGROUND:

This account recognizes the financial impact that a family may suffer in relocating its residence. It is the policy of the Vestry of St. Stephen's to establish and maintain a Clergy Residence Account, for the sole purpose of providing funds on a loan basis to assist the Clergy of St. Stephen's in financing a residence in Oak Ridge.

### POLICY:

1. Loans from the Account are made under the following conditions:
  - a. The loan is made at an interest rate which, in the best judgment of the Vestry, will protect the value of the principal during the life of the loan. Each year at the time the annual budget is prepared, the Vestry reviews the currently stipulated interest rate.
  - b. The amount of the loan must not exceed the account level, but may be less if a smaller sum satisfies the Clergy's needs.
  - c. No payments on the principal or the interest are ordinarily required as long as the borrower continues to serve St. Stephen's, but payments may be made at the Clergy's option at any time before the note is due.
  - d. The entire amount of the principal and all accumulated interest become due not later than six months after the borrower leaves St. Stephen's, or earlier if the Vestry so specifies at the time the loan is made.
  - e. A note for the loan, prescribing its conditions, must be executed by the Clergy and the Clergy's spouse, if applicable.
  - f. Collateral for the loan must be obtained by a suitable lien on property unless waived by the Vestry.
  - g. Interest earned from the loan accrues to this Account.
2. The Vestry may require that the loan be protected by a suitable life and disability policy covering the Clergy, payable to St. Stephen's, to satisfy the loan.

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**POLICY/PROCEDURE (cont.):**

3. The borrowing Clergy must pay for all the loan costs that are customarily paid by the borrower, including but not limited to the cost of recording the lien, taxes and fees, and premiums for any required insurance. This requirement may be waived by the Vestry.
4. The Account may receive additional sums as the Vestry may from time to time assign to it as well as any interest that accrues.
5. The Finance Committee administers this account to assure growth consistent with the highest degree of security and timely availability.