

Board Approved Loan Terms and Requirements

Bahá'í Center Assistance Corp. (BCA) has established the following loan options to provide local communities with assistance with certain improvements to local facilities. The options are as follows:

- **Energy-related improvements.** Increasing energy costs and environmental impacts from energy use increase the need for local energy-related improvements. Moreover, energy savings pay for these improvements. BCA requires that the projected return of investment cost be realized in less than 36 months. The loan amount is limited to not more than 75% of the total project cost or \$50,000, whichever is less.
- **Safety-related renovations.** Communities may need to upgrade facilities for safety reasons, and/or to conform to current codes, accessibility requirements and make them more presentable and user-friendly. Total renovation loans will not exceed 50% of the total renovation cost or \$100,000, whichever is less.

In order to apply for a loan from BCA, an Assembly must first complete a pre-application to determine eligibility before completing an application.

Basic Requirements for all BCA Loans

- The uses of the loan increase the market value of the property securing the loan
- Loans are extended only when borrowers are willing to make equity commitments in addition to the loan
- The value of the property securing the loan exceeds the total debt (including all debt owed to Bahá'í Center Assistance) by a minimum of 25%
- Evidence of a high degree of involvement, support, and unity within the community for the project
- Creditworthiness and capacity of the borrower to complete the project, and the financial and managerial capability of the Assembly to carry and repay the debt
- Evidence of readiness to assume ongoing financial, technical and managerial responsibility for the project and the facility.

Term: up to five years, with a balloon payment.

Repayment Terms: generally 10-year amortization, generally equal monthly payments of principal and interest (No pre-payment penalty)

Interest Rate: Interest rates for acquisition or construction shortfall loans will approximate market rates and generally match the loan rates available for a second mortgage in the borrower's local area. Interest rates for energy-related improvements and safety-related renovations will be at a small margin to BCA's cost of funding.

Collateral: The loan options will generally be secured with real estate mortgages on the Center property.

In order to apply for a loan from Bahá'í Center Assistance Corp. (BCA), an Assembly must first complete a pre-application to determine eligibility before completing an application.

Parameters of the Eligible Borrowers: Local Spiritual Assemblies officially recognized under the guidelines established by the National Spiritual Assembly

Eligibility Requirements:

- Evidence of a high degree of involvement, support, and unity within the community for the project
- Creditworthiness and capacity of the borrower to complete the project, and the financial and managerial capability of the Assembly to carry and repay the debt
- Evidence of readiness to assume ongoing financial, technical and managerial responsibility for the project and the facility.

Geographic Area Served: Continental United States of America (48 states)