

Addition: R.5.01(2)(b)(ix) PARISH LANDS AND BUILDINGS re vendor take-back mortgages

- ix) Respecting the purchaser's need for a mortgage to facilitate a sale:
- A) it is preferable to have the purchaser arrange the mortgage through a commercial source.
 - B) only if the purchaser is unable to arrange a commercial mortgage and has requested a Parish to take back a mortgage which shall be a first mortgage:
 - a. The Parish is to ascertain as much information as possible concerning the purchaser e.g. the reason that the purchaser is unable to obtain a commercial mortgage, the intended use of the building, the associated business plans in cases where the property will be used for commercial purposes, etc.
 - b. The Parish shall arrange with the Director of Financial Ministry to obtain the credit rating of the purchaser.
 - c. Where a company is the purchaser, the Parish shall ensure there is a personal guarantee of the mortgage by the appropriate officers of the company.
 - d. The mortgage should be 70% or less of the purchase price, with the purchaser having put at least 30% cash as down payment against the purchase. The mortgage should be for as short a term as possible. The Parish must confer with the Director of Financial Ministry concerning appropriate provisions, including interest rate, prior to bringing the application to sell and to take back a mortgage to the Property and Finance Committee for approval.
 - e. The purchaser will have to provide proof to the Parish that there is an insurance policy with respect to payment of the mortgage with the Parish as beneficiary. The Parish should arrange to see the certificate of insurance on an annual basis. The purchaser can arrange the insurance through the Diocesan broker, and in which case, the monthly premium can be paid together with the mortgage instalment to the parish, or Diocese, as the case may be.
 - f. The Parish will put arrangements in place for ensuring that the property stays in good repair, realty taxes are up to date, and that appropriate property insurance including 3rd party liability for the Bishop, Diocese and Parish is arranged, and provide a report to the Director of Financial Ministry to that effect prior to finalizing the mortgage, and annually thereafter.

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