



## **The South Dakota District Special “One Another” Coronavirus Relief Fund for District Called, Contracted, and Employed Church Workers**

### **Purpose**

“But You, O Lord, are a shield about me, my glory, and the lifter of my head” (Psalm 3:3). In Psalm 3 David finds himself attacked by so many different enemies that it would be understandable for him to feel depressed and discouraged and to hang his head in defeat. Instead, David expresses faith and trust that the Lord is protecting him. David also recognizes that God lifts his head to look at the Lord in confident faith, rather than looking down to focus on the enemies that are surrounding him. The Coronavirus pandemic and the extreme measures it has taken to combat the spread of the virus has left no segment of society untouched. This is especially true for church workers in our congregations and schools, who rely on paychecks to provide for themselves and their family. The South Dakota District realizes that called and contracted church workers may find themselves struggling financially in the coming months. Rather than “looking down” and focusing on their financial problem, we want called and contracted church workers to be able to “look up” to God, who is the provider for all of their needs of body and soul. This will allow all of our church workers to joyfully continue their Gospel ministries of pointing people to the Lord, who is “the lifter of our heads.” We believe that this relief fund is in accordance with the will and Word of God, which says in 1 John 3:23: “And this is His commandment, that we believe in the name of His Son Jesus Christ and love one another, just as He commanded us.”

### **Eligibility**

All called, contracted, or employed (e.g. hourly wage employees) church workers in Lutheran Church—Missouri Synod congregations, early childhood centers, self-standing preschools, elementary, and high schools in the South Dakota District are eligible to apply for a loan from the special “One Another” Coronavirus Relief Fund. Relief funds may be used by church workers to meet regular financial obligations including, but not limited to: mortgage/rent payments, utility bills, food, medical needs, and other routine expenses. This relief fund will be available for called, contracted, and employed church workers until December 31, 2020 or as long as relief funds are available.

### **Terms**

All loans will be made at the rate of 0% interest.

Called, contracted, or employed church workers may elect to borrow:

**\$360** (a 12-month repayment of \$30/month)

**\$480** (a 12-month repayment of \$40/month)

**\$600** (a 12-month repayment of \$50/month)

**\$720** (a 12-month repayment of \$60/month)

All loans will have a 12-month grace period, beginning from the date of issuance, where no repayment is expected. After the end of the 12-month grace period, the loan will be repayable in 12 equal monthly installments, with the expectation that the loan will be repaid in full within 14 months from the end of the 12-month grace period.

### **Policy**

Loans from the Relief Fund will be made on the basis of:

1. Completion of an application form.
2. Amount of money available in the Relief Fund.
3. The need and proposed use of the loan funds. The loan program will be a rolling program. Application deadlines are: May 15, July 1, August 15, October 1, November 15, and December 30. Loan disbursements will be made shortly after these application deadlines. In cases of dire and pressing need, the immediate granting of a loan will be considered. Loan requests will not be guaranteed to be made in full, but loan requests will be evaluated on the basis of need and loan funds available.

The Relief Fund application can be found online on the South Dakota District website: <https://sddlcms.org/forms-applications>. All loans will be processed by the District Business Manager. Loan applications will be approved or denied by action of the District Executive Staff, which includes the District President, Business Manager, and Executive Secretary. All loans and loan amounts will be reported to the District Board of Directors.

### **For Called Workers**

Each called worker who applies for a relief loan shall sign and date the loan application and return the application to the District Office. The signature of another authorized signee is NOT required. When the called worker receives a loan from the Relief Fund, he/she will receive a promissory note for the full amount of the loan that will be signed by the called church worker. In addition to the promissory note, the loan recipient will receive a repayment schedule indicating the date and amount of each monthly payment. Repayment will be made to: The South Dakota District, LCMS, 3501 Gateway Blvd., Sioux Falls, SD 57106.

At such time that a called worker accepts a call to serve in another LCMS District, the balance of the loan automatically becomes due and is to be paid in full. In the event that the borrower cannot repay the loan in full at such time, the called worker may make a written request to the South Dakota District Board of Directors requesting to continue with the repayment schedule already in place. The Board of Directors will have the authority to grant or deny the request, or alter the repayment schedule. In the event the Board of Directors grants a borrower's request to continue the loan after moving outside of the District and the borrower becomes delinquent four or more months in repayment without satisfactory explanation, a notice of delinquency will be forwarded to the President of the District in which the called worker holds their membership.

### **For Contracted or Hourly Wage Employees**

Each contracted or hourly wage employee who applies for a relief loan shall sign and date the loan application and return the application to the District Office. It is expected that the congregation, early childhood center, or school will become a cosigner for this loan. The signature of a cosigner who is authorized to sign documents for the congregation, early childhood center, or school (e.g. pastor, congregational chairman, early childhood/preschool director, school administrator, school board chairman) will therefore be required.

It is expected that the contracted our hourly wage employee will share the “Cosigner Liability and Responsibility” document with their employer and attain the proper authorized signature.

At such time that a borrower is no longer contracted and/or employed by a congregation or early childhood center, self-standing preschool, elementary or high school in the South Dakota District, the balance of the loan automatically becomes due and is to be paid in full. In the event that the borrower cannot repay the loan in full at such time, the borrower may make a written request to the South Dakota District Board of Directors requesting to continue with the repayment schedule already in place. The Board of Directors will have the authority to grant or deny the request, or alter the repayment schedule. In the event that the Board of Directors grants a borrower’s request to continue the loan after employment ceases in a congregation, early childhood center, self-standing preschool, elementary or high school and the borrower becomes delinquent four or more months in repayment without satisfactory explanation, notice of delinquency will be shared with the pastor and/or leadership of the congregation or early childhood center, self-standing preschool, elementary and high school and, as cosigners for the loan, they may become responsible for the remaining balance of the loan.

The District Business Manager will gather the necessary signatures for the promissory note and disburse the loan proceeds. The District Business Manager will maintain a file for each applicant, which contains all data relative to the loan process.



**“One Another” Coronavirus Relief Fund  
Personal Loan Application**

South Dakota District, LCMS  
3501 Gateway Blvd.  
Sioux Falls, SD 57106

Loan Number \_\_\_\_\_

**Applicant**

\_\_\_\_\_  
Full Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
City

SD

\_\_\_\_\_  
Zip Code

\_\_\_\_\_  
E-Mail Address

\_\_\_\_\_  
Personal Phone

**Purpose of the Loan**

**(e.g. supplement lost salary, pay bills, pay other expenses, pay medical expenses, etc.)**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
**As a prerequisite to receiving a “One Another” Coronavirus Relief Loan, I have received, read, and agree to the “One Another” Coronavirus Relief Loan Guidelines.**

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of another Authorized Signee  
(Pastor, School Administrator, EC/Preschool Director)

\_\_\_\_\_  
Date

## **“One Another” Coronavirus Relief Loan Cosigner Liability and Responsibility**

The South Dakota District realizes that contracted or employed staff who apply for a relief loan may experience financial hardships for months to come as a result of the Coronavirus pandemic. That is why the relief loans come with a 12-month grace period. However, granting any kind of loan to those in financial need comes with some risk. Even more, the South Dakota District’s connection to a contracted or hourly wage employee is only through the congregation, early childhood center, or school that employs the worker. When a contracted or hourly wage employee is no longer employed by the congregation, early childhood center, or school, that connection between the worker and the District is severed. For these reasons, the South Dakota District is asking its congregations, early childhood centers, or schools to cosign on the loans applied for by its contracted or hourly wage employees.

By cosigning for the relief loan, the congregation, early childhood center, or school is binding itself to the terms of the loan agreement. Most significantly, you are pledging to fulfill the borrower’s obligation to repay the balance of their loan if they fail to do so according to the terms of the agreement. This means that, if they fall behind on their loan payments, your congregation, early childhood center, or school may be expected to make up the missed payments for your employee or repay the balance of their loan in full. When cosigning for a loan, it is vitally important to be aware of the situation and commitment your organization is making. You must evaluate whether your organization is comfortable with the financial facts of the situation, and ask questions when the facts are unclear. Your organization should also evaluate its financial position, and ask whether it is willing and able to contribute financially to repaying the loan, if it becomes necessary. Please carefully and prayerfully consider whether your organization is willing and able to assume the potential financial responsibility of repaying the loan applied for by your contracted or hourly employee.

The South Dakota District believes it is important for the borrower to be transparent when asking someone to cosign a loan for them. The South Dakota District will share loan account information about the borrower with your organization upon request. The District encourages regular and open communication between your organization and the borrower for which your organization cosigned. If a borrower for whom your organization cosigned fails to make two consecutive payments on time, your organization will be sent a notice informing you of the delinquent status of the loan account. If this should happen, the District will work together with you to communicate with the borrower to determine the cause of the late or missed payment and to discuss next steps in the process.

At such time that a borrower is no longer contracted and/or employed by a congregation or early childhood center, self-standing preschool, elementary or high school in the South Dakota District, the balance of the loan automatically becomes due and is to be paid in full by the borrower. In the event that the borrower cannot repay the loan in full at such time, the borrower may make a written request to the South Dakota District Board of Directors requesting to continue with the repayment schedule already in place. The Board of Directors will have the authority to grant or deny the request, or alter the repayment schedule. In the event that the Board of Directors grants a borrower’s request to continue the loan after employment ceases in a congregation, early childhood center, self-standing preschool, elementary or high school and the borrower becomes delinquent four or more months in repayment without satisfactory explanation, notice of delinquency will be shared with the pastor and/or leadership of the congregation or early childhood center, self-standing preschool,

elementary and high school and, as cosigners for the loan, they may become responsible for the remaining balance of the loan.

A lender is not required to exhaust all collection efforts against the borrower before seeking payment from the cosigner, because it is viewed as a joint obligation. From a legal perspective, your organization is just as liable for the loan as the borrower is, even though your organization did not receive the borrowed funds. The South Dakota District's policy is to seek first payment from the borrower, with the belief that a person is both legally and morally obligated to repay any debt that they incur (Romans 13:7-8). However, if it becomes clear that the borrower is unable or unwilling to repay their loan in a timely manner, the South Dakota District may require the cosigner to assist with repayment.

**By signing this document, I acknowledge that I have read and agree to the liability and responsibility of a cosigner on a Coronavirus Relief Fund loan for my non-called employee.**

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date