Anabaptist Financial
Stewardship Connections with Integrity

Cosigner Loan Application Information

Thank you for your interest in cosigning for a prospective borrower as he seeks a loan from Anabaptist Financial. Please complete the following steps relating to this application:

1. **Personal Financial Statement**. Fill out the statement to the best of your ability with your personal information. If the application is not sufficiently completed, it will be returned to you. **Please take time to read all of the *Borrower's Agreement* and the *Cosigner's Liability and Responsibility***. Be sure to sign the application, cosigner acknowledgement, and Confession of Faith confirming that you are eligible to participate in Anabaptist Financial's loan program.

2. **Tax Returns**. Include a copy of personal tax returns and business tax returns (if separate) for the previous two years. *[Personal taxes should include two pages of the Schedule 1040 and Schedule C, E, F, and K-1 as applicable.]*

3. **Supporting Documents**. Submit any other information and documentation you feel would be useful to the loan review committee.

4. **Send it in**. You may send these documents to us by mail, fax, or email.

Please feel free to call for any additional information, or for answers to any questions you may have.
We look forward to the opportunity of serving you as well as many others who are a part of the conservative Anabaptist faith.

Sincerely,

Floyd Miller
Phone: (800) 653-9817 ext. 217
Email: floydmiller@afweb.org

Brian Stauffer
Phone: (800) 653-9817 ext. 220
Email: brianstauffer@afweb.org

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Personal Financial Statement

Each cosigner or person owning 20% or more of a business (for a business loan) must complete this form.

☐ I own 20% or more of the business. ☐ I am a cosigner for _____ (name of primary borrower)

Borrower	Personal Information	Spouse

Borrower's Name		Spouse's Name	
Social Security Number	Date of Birth	Social Security Number	Date of Birth
Home Phone	Cell Phone	Fax	Email
Address			
City	State	Zip Code	Are you renting? _____ Amount $_____ / month
Name of church where you are a member		Deacon's name (or minister if no deacon)	
Church conference or affiliation		Deacon's phone number (or address if no phone)	

Declarations

If you answer yes to any of the following questions, please use the lines below for explanation.

	Borrower		Spouse	
	Yes	No	Yes	No
Are there any outstanding judgments against you?				
Have you declared bankruptcy within the past 7 years?				
Have you had property foreclosed upon in the past 7 years?				
Are you a party to a lawsuit?				
Have you been obligated on any loan which resulted in foreclosure or judgement?				
Are you presently delinquent or in default on any debt or financial obligation?				
Is any of your down-payment borrowed?				
Are you a cosigner on any other note?				

Explanation: _____

_____

_____

Non-Real Estate Assets

Checking Accounts	$	CDs and Money Market Accounts	$
Savings Accounts	$	Other Investments	$
IRA's	$	Value of Vehicles	$
Equipment	$	Other assets (specify)	$
Livestock	$	Other assets (specify)	$

Total Non-Real Estate Assets **A.** $

Real Estate Assets

If you own more than 3 properties, please include them on another page.

Property 1

Address			Description (incl. acreage)		Present Market Value **B.** $
Year bought	Original purchase price $	Cost of improvements $	Debt against property $	Monthly rental income? $	Insurance, Taxes $

Property 2

Address			Description (incl. acreage)		Present Market Value **C.** $
Year bought	Original purchase price $	Cost of improvements $	Debt against property $	Monthly rental income? $	Insurance, Taxes $

Property 3

Address			Description (incl. acreage)		Present Market Value **D.** $
Year bought	Original purchase price $	Cost of improvements $	Debt against property $	Monthly rental income? $	Insurance, Taxes $

Total Assets (Total of boxes **A** through **D**) **E.** $

Liabilities

Please list all debts and obligations, including bank loans, private loans, consumer loans, credit card debt, etc.

Name of Lender	Monthly Payment	Interest Rate %	Original loan amount	Unpaid balance of Debt	Match with asset above
Mortgage	$		$	$	
Mortgage	$		$	$	
Mortgage	$		$	$	
Mortgage	$		$	$	
Private loan	$		$	$	
Private loan	$		$	$	
Private loan	$		$	$	
Auto loan	$		$	$	
Auto loan	$		$	$	
Credit Card	$		$	$	
Credit Card	$		$	$	
Other	$		$	$	
Other	$		$	$	

TOTAL Monthly Payments $ **TOTAL LIABILITIES** **F.** $

NET WORTH (Box **E** minus **F)** **= $**_____

BORROWER'S AGREEMENT

Purpose. The purpose of Anabaptist Financial is to provide mutual aid within the Anabaptist faith by providing low-interest loans for business real estate purchases, other business related purposes, home purchases, churches, and non-profit ministries. Services are limited to Anabaptist persons committed to establishing themselves in the Anabaptist community in a manner consistent with biblical truths as defined in the *1963 Mennonite Confession of Faith* or similar earlier confessions.

Type of Loans. We provide loans for business real estate, business operating, home mortgage and non-profits. We do not offer consumer loans, such as those for automobiles.

Loan Application. Potential borrowers must submit a completed Loan Application, showing all assets, liabilities, expected costs, and tax returns from prior two years.

Mortgage and Liens. When a loan is funded, a lien shall be filed against the appropriate collateral. This filing is done to protect the investors' interests. The borrower shall assume the entire responsibility and cost of filing the mortgage. As an exception (when a loan is not associated with a purchase), AF may assume the responsibility of filing the mortgage. If a lien is filed, AF assumes the responsibility of filing.

Adjusted Interest Rate. The variable interest rate will be indexed to equal the 6 Month Treasury Bill, plus an assigned base rate. The "6-Month Treasury Bill," shall mean the variable interest rate that is published in The Wall Street Journal as the "6-Month Treasury Bill" or words to that effect. The variable interest rate shall be adjusted quarterly on January 1, April 1, July 1, and October 1 of each calendar year, regardless of any interim change in the 6-Month Treasury Bill, to equal the 6-Month Treasury Bill on, respectively, the previous December 1, March 1, June 1 and September 1, plus the base rate (adjusted within one-half of one percent).

Monthly Payments & Late Payment Fee. Payments shall be amortized for monthly payments over a specified term of years and be payable on the first day of the month. All late payments of principal or interest shall incur a fee of twenty dollars ($20.00).

Term Limit. No real estate loan shall exceed a term of twenty-five (25) years. No operating business loan shall exceed a term of ten (10) years.

Loan to Value %. A loan will supply no greater than 85% of an appraisal or purchase price, whichever is lower. When funding new construction, 85% is determined by the finished cost. When a qualified co-signer provides a guaranty, up to 100% funding of a loan may be available.

Protection Plan. All items collateralized or mortgaged shall be covered by protection plan for fire, storm, and theft and verified by a policy.

Loan Origination Fees:

Loans less than $150,000: $500
Loans from $150,000 to $400,000: $650
Loans more than $400,000: $800

Add $100 to above fees when not using an attorney.

Borrower pays all associated fees:
Lien recording fee (varies by courthouse and state)
$20 Wire Transfer Fee (if provided by AF)
$150 (residential) Title Search (if provided by AF)
$250 (commercial) Title Search (if provided by AF)
$250 Construction Loan Fee (construction loans only)
$25 Late Document Fee (if applicable)

All fees will be withheld from the loan amount funded unless otherwise arranged.

Required Information

-Value of collateral (Appraisal may be required) -Title Search (Title Certificate may be required) -Previous two years of tax returns

Loan Default Plan. In the event a borrower fails to make payment with in thirty (30) days after due date, an investigation will be conducted to determine the reason for the default. If no favorable solution is reached, or full payments are not received within the next thirty (30) days, a three-man committee will be appointed to manage the finances of the borrower's operation. The committee shall consist of one individual of the borrower's choice from within the congregation, one individual from AF and one individual mutually agreed upon.

I (we) confirm that this financial statement is given to you by me for the purpose of obtaining credit from time to time; that I have read the same and that it is true and complete. I (we) agree with the above stated policies. I (we) agree that Anabaptist Financial may provide information about me (us) or my (our) account(s) to others deemed by Anabaptist Financial to be material to the provisions and servicing of this loan request, including the church contact provided above. Applicant authorizes Anabaptist Financial to obtain a credit report through its servicer. If this financial statement is found to be incorrect, I agree that Anabaptist Financial may cancel this agreement upon formal notice to me, and all loan balances, including interest accrued, will be due and payable immediately.

Borrower's Signature:	Date:	Spouse's Signature:	Date:
X		X	

Send completed loan application to: **Anabaptist Financial, 1245 Old Route 15, New Columbia, PA 17856** or fax to **866-230-6253** or email to **info@afweb.org**. For assistance in completing this application, please contact Brian Stauffer at **800-653-9817 ext. 220.**

Cosigner Liability and Responsibility

Anabaptist Financial (AF) at times receives loan applications from people who possess inadequate down payment, collateral, or income to meet our normal lending standards. While these applications are often declined, they may occasionally be approved when a qualified cosigner pledges their support. Cosigners must provide a financial statement and two years of tax returns to AF to be considered.

If you are considering cosigning for someone who has applied or will apply for a loan from AF, please read the following information carefully to ensure you understand your liability and responsibility if you cosign. Please sign and return the form indicating your agreement.

Cosigner Liability
By cosigning for a loan, you are binding yourself to the terms of the loan agreement. Most significantly, you are pledging to fulfill the borrower's obligation to repay all principal and interest due on their loan if they fail to do so according to the terms of the agreement.

This means that if they fall behind on their payments, you may be expected to make up the missed payments for them. Or, if they sell the property being used as collateral for the loan and the proceeds from the sale are insufficient to repay the loan, you and the borrower will both still be liable for the remaining loan balance.

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, you are just as liable for the loan as the borrower is, even though you did not receive the borrowed funds.

In some cases there will be a mortgage filed against your property when you cosign. Banks will view this mortgage and the fact that you cosigned a promissory note as a significant detraction from your creditworthiness if you apply for your own financing after you cosign the loan.

Cosigner Responsibility
Anabaptist Financial's policy is to first seek payment from the borrower, with the belief that a person is both legally and morally obligated to repay any debt they incur. However, if it becomes clear that the borrower is unable to repay their loan in a timely manner, AF may require the cosigner to assist with repayment.

AF has a loan default plan that includes the appointment of a local three-person committee to assist with troubled financial situations when necessary. If this occurs, you will be expected to maintain regular communication with the committee and be involved in seeking a resolution to the situation.

When cosigning, it is vitally important to be aware of the situation and commitment you are making. You must evaluate whether you are comfortable with the financial facts of the situation, and ask questions when the facts are unclear. You should also evaluate your own financial position, and ask yourself whether you are willing and able to contribute financially to repaying the loan if it becomes necessary. If you are either not willing or not able to assume the responsibility of repaying the loan, do not cosign!

Communication
Anabaptist Financial believes it is important for the borrower to be financially transparent when asking someone to cosign for them. AF will share loan account information and any financial information provided by the borrower with you upon request. We will not share your information with the borrower.

We encourage regular and open communication with the person for whom you cosigned. If a borrower for whom you cosigned fails to make more than one payment on time, you will be sent a monthly account statement notifying you of the delinquent status of the account. If this should happen, we encourage you to communicate with the borrower immediately to determine the cause of the late or missed payment.

By signing this document, I acknowledge that I have read and agree to the liability and responsibility of a cosigner, if I choose to cosign for a loan from Anabaptist Financial.

_____	_____	_____
Signature	Print Name	Date

Exhibit "C"

Each participant must sign the acknowledgement at the end of the Confession of Faith.

Anabaptist Financial is legally structured to provide financial services to individuals who adhere to the *1963 Mennonite Confession of Faith, 1923 Garden City Confession, Dortrecht Confession, Schleitheim Confession,* or similar confession. Below are the 20 points listed in the *1963 Mennonite Confession of Faith*. Where deemed necessary, we have inserted an indented, highlighted note to further clarify our position.

1963 Mennonite Confession of Faith

1. We believe in one God eternally existing as Father, Son, and Holy Spirit.
2. We believe that God has revealed Himself in the Scriptures of the Old and New Testaments, the inspired Word of God, and supremely in His Son, the Lord Jesus Christ.
3. We believe that in the beginning God created all things by His Son. He made man in the divine image, with free will, moral character, and a spiritual nature.
4. We believe that man fell into sin, bringing depravity and death upon the race; that as sinner, man is self-centered and self-willed, unwilling and unable to break with sin.
5. We believe that there is one Mediator between God and men, the Man Christ Jesus, Who died to redeem us from sin and arose for our justification.
6. We believe that salvation is by grace through faith in Christ, a free gift bestowed by God on those who repent and believe.
7. We believe that the Holy Spirit convicts of sin, effects the new birth, gives guidance in life, empowers for service, and enables perseverance in faith and holiness.
8. We believe that the church is the body of Christ, the brotherhood of the redeemed, a disciplined people obedient to the Word of God, and a fellowship of love, intercession, and healing.
   Participants are required to be accountable and committed members in a church that practices brotherhood accountability and exercises church discipline over erring members.
9. We believe that Christ commissioned the church to go into all the world, making disciples of all the nations, and ministering to every human need.
10. We believe it is the will of God that there should be ministers to teach the Word, to serve as leaders, to administer the ordinances, to lead the church in the exercise of discipline, and to serve as pastors and teachers.
    Participants may not hold membership in a church that ordains women into church leadership.
11. We believe that those who repent and believe should be baptized with water as a symbol of baptism with the Spirit, cleansing from sin, and commitment to Christ.
12. We believe that the church should observe the communion of the Lord's Supper as a symbol of His broken body and shed blood, and of the fellowship of His church, until His return.
13. We believe in the washing of the saints' feet as a symbol of brotherhood, cleansing, and service, and in giving the right hand of fellowship and the holy kiss as symbols of Christian love.
14. We believe that God has established unique roles for man and woman, symbolized by man's bared head in praying and prophesying, and by woman's veiled head.
    Participant families are required to consistently practice the woman's head covering in all of public life.
15. We believe that Christian marriage is intended by God to be the union of one man and one woman for life, and that Christians shall marry only in the Lord.
    Individuals who live in a divorced <u>and</u> remarried state are ineligible to participate.
16. We believe that Christians are not to be conformed to the world, but should seek to conform to Christ in every area of life.

17. We believe that Christians are to be open and transparent in life, ever speaking the truth, and employing no oaths.
18. We believe that it is the will of God for Christians to refrain from force and violence in human relations and to show Christian love to all men.

    Participants may not enter military service, press charges in lawsuits, nor enter into bankruptcy for the purpose of avoiding debt repayment.
19. We believe that the state is ordained of God to maintain order in society, and that Christians should honor rulers, be subject to authorities, witness to the state, and pray for governments.

    Participants may not engage in political activities, nor hold political offices.
20. We believe that at death the unsaved enter into everlasting punishment and the saved into conscious bliss with Christ, Who is coming again, and will raise the dead, sit in judgment, and bring in God's everlasting kingdom.

Acknowledgement

I affirm that I personally adhere to the 20 points of the *1963 Mennonite Confession of Faith*, or similar earlier confession, as given and explained above, and that I am a member of a local church that also practices the same.

Furthermore, I will inform Anabaptist Financial immediately if my position on the above Confession of Faith changes and/or I am no longer a member in a church that adheres to the *1963 Mennonite Confession of Faith*, or similar earlier confession. I understand that should this occur, I will no longer qualify for participation and Anabaptist Financial will allow 180 days to close my account.

I understand that adherence to the above doctrinal statement is necessary during the entire time my account remains at Anabaptist Financial, and that from time to time, Anabaptist Financial will ask participants to sign this acknowledgement to ensure continued qualification.

_____

Borrower's Signature

_____

Spouse's Signature (or Co-Borrower)

_____

Name of Church

_____

Church Conference or Affiliation