**RULES OF THE RETIRED MINISTERS’ HOUSE FUND**

**BRIEF HISTORY OF THE RULES OF THE RETIRED MINISTERS HOUSE FUND**

The Retired Ministers’ House Fund (“the Fund”) was established in 1961. At the General Assembly in 1964 Interim Rules were approved (see Minutes, 1964, Pages 55 and 56). The Fund operated on those Interim Rules until 1967 when the General Assembly adopted Rules (see Assembly Reports Pages 203 to 206 and Minutes Page 37). At the General Assembly in 1970 Revised Rules were approved (see Annual Reports Pages 263-25 and Minutes Page 49). In 1996 in consultation with the Church’s legal advisers, some amendments to the Rules were made (see Assembly Reports Page 193, Minutes Page 72). The General Assembly approved these updated Rules on 9 June 2011.

1. **The Object of the Fund**

The object of the Fund is to provide assistance to approved Borrowers seeking to make provision for a home for their retirement.

1. **Administration**
	1. The Fund shall be administered by a committee (“the Committee”) appointed by the Board of Finance and Personnel (“the Supervising Board”).
	2. The Committee may appoint a Retired Ministers’ House Fund Panel (“the Panel”) to administer the Fund in accordance with these Rules. The Panel membership should include the Board and Committee Conveners, Financial Secretary and an appointed officer with responsibility for the day-to-day management of the Fund along with a person with an appropriate level of experience of the property sector.
	3. The Committee shall prepare annual accounts and present these to the General Assembly to be examined by the General Assembly’s Auditors.
2. **Eligibility for Assistance**
	1. Ministers or servants of the Presbyterian Church in Ireland (which may include spouses) of limited financial means (“the Borrower”) who are retired or contemplating retirement may apply to the Fund for assistance.

*(Interpretation as agreed at Meeting of Personnel Committee on 21 September 2011. In the case of Ministers assistance is primarily available to assist those who immediately prior to retirement enjoyed the benefit of accommodation provided by their congregation or P.C.I.. The term servant is deemed to include Missionaries, Deaconesses and Widows of Ministers).*

* 1. The Committee is permitted to prioritise the provision of assistance to those who:
		1. are over 60 years of age;

3.2.2 intend to repay the loan in less than 5 years;

3.2.3 require less than the maximum loan;

3.2.4 are willing to make regular repayments of the loan; or

* + 1. have more limited financial resources.
	1. For the avoidance of doubt, these Rules do not create a right to assistance. Furthermore, an application may be refused if the Fund does not have sufficient financial or other resources available at the time of application or for any other reason at the absolute discretion of the Committee.
1. **Forms of Assistance**

The Fund is permitted to provide assistance on the following terms:

* 1. **Loans**

4.1.1 Loans may be provided:

4.1.1.1 to assist with the purchase of properties for retirement;

4.1.1.2 in exceptional circumstances for the improvement of properties;

4.1.1.3 or to assist with the purchase of properties prior to personal funding becoming available as short-term bridging loans.

4.1.2 The maximum amount of a loan shall be determined by the Committee and approved by the Supervising Board.

4.1.3 The term of a loan shall not exceed 15 years and shall be repaid no later than 5 years after retirement.

4.1.4 Interest on a loan is to be calculated on a daily basis at a rate of 50% of the sum of The Bank of England Base Rate plus 2%.

4.1.5 Interest repayments on all loans approved after the adoption of these Amended Rules are to be deducted each month from the Borrower’s remuneration or pension paid by the Financial Secretary’s Office, Church House.

4.1.6 Failure to make payments for 3 months in breach of agreed interest repayment arrangements in respect of loans approved after the adoption of these Amended Rules may require the loan to be repaid in full.

4.1.7 A letter of offer setting out the terms of the Fund’s offer must be accepted by the Borrower, a mortgage deed must be signed by the Borrower and title must be reviewed and found to be satisfactory to the Fund’s legal advisers before any monies are released. The legal cost of preparation of the letter of offer and mortgage deed and review of title is to be borne by the Fund. The Borrower shall seek his or her own legal advice.

* + 1. As long as any sum secured by a mortgage is outstanding, whether principal or interest, the documents relating to such mortgage shall be held by the Trustees of the Presbyterian Church in Ireland (“the Trustees”). A first ranking mortgage against the property should be taken by the Fund in the name of the Trustees. A second ranking mortgage may be taken if there is evidence according to a valuation of the property that there is sufficient equity to discharge all sums due to the Fund.
		2. The Borrower shall be responsible for arranging appropriate Building Insurance and shall provide satisfactory evidence of cover prior to completing the mortgage deed. The Borrower must provide evidence of the annual renewal of building insurance to the satisfaction of the Committee.
	1. **Equity Sharing/Joint Ownership arrangements**

4.2.1 Equity Sharing/Joint Ownership arrangements may be entered into by the Fund up to a maximum amount determined by the Committee and approved by the Supervising Board.

4.2.2 The borrower must provide a minimum of 10% of the value of the property towards the purchase price.

4.2.3 Interest on the amount provided by the Fund will be charged at the rate for Loans (see 4.1.4 above).

4.2.4 The Borrower must obtain the approval of the appointed officer in relation to the price offered on any property and completion will be subject to a satisfactory survey and title review.

4.2.5 A letter of offer shall be prepared setting out the principal terms on which the monies will be advanced to the Borrower. A Trust Deed shall be prepared in respect of the Fund’s interest in the property. The legal cost of preparation of the Trust Deed shall be borne by the Fund. The Borrower shall seek his or her own legal advice.

4.2.6 All rates, costs of regular maintenance, utility bills and all other routine outgoings relating to the property shall be borne by the Borrower. The Fund shall bear a proportion of any repairs to the structure of the property or repairs or replacement of fixed plant and equipment, based on the equity sharing interests.

* + 1. The Borrower is not permitted to make any alterations to the property without the written permission of the Committee. The cost of such alterations shall be borne in proportion to the Fund and the Borrower’s interest in the property. Where the Borrower proceeds with alterations without written permission, the Committee shall not be obliged to contribute towards the cost of work or amend its proportional interest in the property.
		2. Building insurance will be included in the Fund’s insurance policy Scheme and the Fund will recoup the appropriate proportion of the premium from the Borrower based on the equity sharing interests.
		3. The Committee shall arrange for periodic inspection of all property owned on an equity sharing basis.
		4. The Borrower must report any structural defects or faults to fixed plant and equipment to the Fund’s appointed officer.
	1. **Renting Property owned by the Fund**
		1. The Fund may rent properties belonging to it with rent calculated based on 2.25% of the purchase price or estimated value of the property. Rents should be reviewed annually on 1 October and amended in accordance with adjustment approved by the Northern Ireland Housing Executive on the previous 1 April.
		2. In exceptional circumstances the Fund may reduce the rent payable depending on the Borrower’s financial circumstances.
		3. The Committee shall arrange for periodic inspection of the property owned by the Fund.
		4. In exceptional cases, and resources permitting, the Fund may purchase properties for letting.
		5. A letter of Offer and Tenancy Agreement setting out the terms of the tenancy shall be prepared when such a property is purchased. The legal costs of preparation will be borne by the Fund. The tenant shall seek his or her own legal advice.
		6. The Fund shall arrange appropriate building insurance on all properties owned by the Fund.
		7. All rates, costs of routine maintenance, utility bills and all other outgoings relating to the premises shall be borne by the tenant. The Fund shall be responsible for any repairs to the structure of the property and repairs or replacement of fixed plant and equipment.
		8. The tenant must report any structural defects or faults in relation to plant and equipment to the Fund’s appointed officer.
		9. A right to continue as tenant passes to the tenant’s spouse on the Borrower’s death but terminates on the death of the spouse.

The Committee reserves the right to withdraw any of the above forms of assistance if the Fund does not have sufficient financial or other resources available at the time of application or for any other reason at the absolute discretion of the Committee.

1. **Applications for Assistance**
	1. All Borrowers must complete a formal application in the form determined by the Committee.
	2. The decision of the Committee in respect of any application or in relation to the termination of any form of assistance shall be final.
2. **Income of the Fund**

All payments of interest, rent, repayments of capital, or other income received by the Fund shall be held for the objects of the Fund and for no other purpose.

1. **Amendment to Rules**

Any changes to these Rules must be approved by the Supervising Board and reported to the following General Assembly.

1. **Trustees**
	1. All property of the Fund shall be held in the name of the Trustees.
	2. The Trustees are permitted to:
		1. purchase, take on lease or in exchange or otherwise acquire real or personal property and any right or privilege which the Committee think necessary for the objects of the Fund and in particular any land, buildings, easements, rooms, furniture, fittings, apparatus, appliances, conveniences and accommodation.
		2. Sell, lease or grant, with or without a fine, improve, manage, develop, exchange, mortgage or dispose of, all or any part of the real or personal property and rights acquired by the Trustees.
		3. Invest and deal with personal property acquired by the Trustees, not immediately required for the purposes above mentioned, in such manner as may from time to time be determined by the Trustees.
		4. Stand possessed of any real or personal property or rights acquired by the Committee as trustees for the objects of the Fund. It is declared that the Purchaser or Mortgagee or any real or personal property acquired from the Trustees shall hold the same freed and discharged from all trusts hereby created and shall not be bound to see to the application of the purchase or mortgage monies, the receipt of the Trustees to be sufficient discharge for the same.
2. **Borrowing**

The Committee is permitted to borrow to fulfil the object of the Funds as authorised by the Supervising Board.

These Rules were approved by the Board of Finance and Personnel on 8th March 2011 and the General Assembly on 9th June 2011.

**RETIRED MINISTERS HOUSE FUND**

**APPENDIX**

**RATES FOR 2011**

**LOANS**

The maximum amount of loan is £50,000.00

**EQUITY SHARING ARRANGEMENTS**

The maximum contribution in an Equity Sharing arrangement is £100,000.00