

PRESBYTERIAN CHURCH (U.S.A.) MORTGAGE CORPORATION

[Approved by the 213th General Assembly (2001)]

Establishment of a Corporation and Related Matters

Section 1. (a) *Corporation established.*—There shall be established at the close of business on June 18, 2001 or as soon thereafter as practicable as a separate corporate agency of the General Assembly, a corporation which shall be incorporated under the laws of the Commonwealth of Pennsylvania and shall be known as Presbyterian Church (U.S.A.) Mortgage Corporation (the “Corporation”). The Corporation shall be a not for profit, membership corporation and the Presbyterian Church (U.S.A.), A Corporation shall hold the sole membership (which shall be nonvoting) in the Corporation.

(b) *Forms of Articles.*—The articles of incorporation of the Corporation shall be in substantially the form submitted to and approved by the 213th General Assembly (2001), with such changes therein as may be approved by PILP and the General Assembly Council or by an authorized committee of the General Assembly Council. The initial board of directors shall consist of three directors, who shall serve as the board of directors of the Corporation until another board is chosen under the provisions of Section 2(b) herein below. One director shall be an “Independent Director” as defined in the Articles of Incorporation at Article IX (B).

Section 2. (a) *Corporate charter.*—The articles of incorporation of the Corporation shall provide for its governance and subordination to the General Assembly through the General Assembly Council to substantially the following effect:

The management and disposition of the affairs and property of the Corporation shall be vested in directors, who shall be selected from time to time in such number and manner and for such terms as the General Assembly of the Presbyterian Church (U.S.A.) (the “General Assembly”) may determine. All the business and affairs of the said corporation shall be conducted by the directors under and subject to the direction of the General Assembly or the General Assembly Council through PILP so far as such direction shall be lawful and in accordance with the *Constitution of the Presbyterian Church (U.S.A.)* and the laws of the Commonwealth of Pennsylvania and of the United States of America. No material change shall be made in these articles of incorporation without the prior approval of the General Assembly Council.

(b) *Governing board.*—(1) Until further action of the General Assembly or of any officer or agency thereof thereunto duly authorized, the board of directors of the Corporation shall consist of three (3) voting members. The board shall be selected as follows:

(i) Two members shall be nominated by the Personnel/Nominating Committee of the PILP board of directors from the board’s membership and elected by the General Assembly Council, for four-year terms. Each person so elected shall be eligible to serve up to a maximum of two terms, but in no event beyond their term on the PILP board of directors. No director may serve more than two terms, full or partial and in no event beyond their unexpired term on the PILP board of directors.

(ii) One member shall be nominated by the General Assembly Nominating Committee and elected by the General Assembly Council for a four-year term, and eligible to serve up to a maximum of two terms. No director may serve more than two terms, full or partial. This member must meet the requirements of being an Independent Director as defined in the Articles of Incorporation.

(c) *Bylaws.* The by-laws of the Corporation shall state that in making selections and nominations, consideration shall be given to the need for individuals having experience and skill relevant to the purposes and activities of the Corporation. The by-laws will contain a mechanism for coordination of the review and selection of members of the board of directors consistent with this Deliverance and the Articles of Incorporation.

(d) *Executives.*—As provided by G-9.0703 of the *Book of Order*, the board of directors of the Corporation, with the concurrence of the General Assembly Council, shall elect vice-presidents, a treasurer, and a secretary for terms of one year. The office of the president shall be held by the President of PILP. The board of directors may elect other assistant executives. All such appointed and elected executives shall be eligible for reappointment and reelection. The board of directors of the Corporation shall cause the president, who shall be the chief executive officer of the corporation, to be accountable to the board of directors for carrying out its policies and directives. The board of directors shall ensure that the president maintains an appropriate relationship with the PILP board of directors and the General Assembly Council.

(e) *Functions.*— Subject to any inconsistent provision of the Articles of Agreement or the Form of Government of the Presbyterian Church (U.S.A.) and subject to the lawful directions from time to time of

the General Assembly, the General Assembly Council, or any agency thereof thereunto duly authorized, the Corporation shall:

- (1) purchase and accept assignment of loans from PILP;
- (2) sell and assign to financial institutions revenue received from the payment of these purchased loans;
- (3) contract with PILP or outside parties for various services, such as, but not limited to, record keeping and servicing of loans, and in so doing, a collaborative relationship shall be maintained with PILP;
- (4) provide accounting and reporting with respect to the foregoing;
- (5) provide to PILP monthly loan delinquency reports and any other financial reports requested by PILP; and
- (6) comply with requirements set forth in the Articles of Incorporation and bylaws.

(f) *Personnel policies.*—The board of directors shall develop position descriptions and personnel procedures for all positions. In so doing, the General Assembly Churchwide Compensation Guidelines and the Personnel Policies for General Assembly Entities and guidelines for Governing Bodies of the Presbyterian Church (U.S.A.), or successors to such documents, shall apply.

(g) *Reporting responsibility.*—The Corporation shall report to the General Assembly Council through PILP.

Recession of Prior Inconsistent Action

Section 3. All prior enactments inconsistent herewith are hereby rescinded to the extent of such inconsistency.

Other Action

Section 4. The Corporation may take such other or further action as the board of directors of the Corporation (with the approval of the General Assembly Council or any authorized committee thereof) may find to be necessary or desirable to carry into effect the purpose and intent of this Deliverance and related enactments of the General Assembly.