



25 March 2020

Dear BFS Client,

Re: Request for Loan Repayment Accommodation for COVID-19

Thank you for highlighting your needs relating to your loan repayments arising from the impact of the current COVID-19 events. With our purpose to Resource Christian Ministry, BFS has been closely monitoring the financial impact that COVID-19 has had on Churches and ministries, including the Churches we each personally attend. We understand the importance for Churches and other ministries to continue in a sustainable way during this season of the closure of public meetings and certain other activities, and that this will continue to evolve over time, with possibly more and then eventually less restrictions.

We are greatly encouraged by the work many Churches and ministries have already undertaken to adapt and implement online models, both in ministry and financially. It is a true demonstration of the Kingdom at work, as we continue to be in prayer for our local communities, our Nation and the World through this crisis. It is important that the Christian community collectively supports each other through these times, and we are keen to ensure support is provided to those who most need it.

Regarding finance, now is the time for good stewardship. If your Church or ministry has not already done so, we encourage implementing the following as quickly as possible: -

- Communication of account details for online giving (BSB #, Account #, Account name) or any other forms of electronic giving you may already have established.
- Enabling a "safe" method of donation for members who prefer to continue donating cash or cheque, if this is a significant issue for you, although we strongly encourage electronic giving at this time.
- Encouraging individual members and supporters to give at this time where and if they are able to make up some shortfalls where others are not able to give or because of other income gaps you are experiencing.
- Reviewing discretionary and essential expenses and reviewing what is not necessary at this time.
- Making plans that enable your Church or ministry to function on a more balanced budget at this time.
- Review of the your current cashflow, and particularly for the next 3 & 6 months, including any changes due to COVID-19; and
- Creation of the next FY budget, including ongoing cashflow changes due to COVID-19.

We encourage you to assess what cash and financial resources you have on hand to meet the current challenges and as various adjustments occur.

Areas of assistance we may consider at this stage of the crisis include repayment holidays for up to 3 months or interest only payments for up to 6 months. It is important to understand BFS will always carefully consider your specific needs but that there are implications that you need to understand when repayment holidays are provided. These holidays simply defer repayment obligations to a later date. Whilst these can then be spread over a longer period, so they are more manageable now, interest continues to accrue, and the overall loan balance will increase. This increased loan balance will still need to be repaid over time.

Where payments switch to interest only then the overall loan balance will remain the same but overall, it will require higher repayments eventually to repay the loan within the same term and/or result in extra overall interest costs over the loan term.

Therefore, it is prudent to only access assistance when the need arises.

BFS is not imposing any fees or additional charges in respect to applications for repayment holidays or interest only payments or other adjustments to current loan repayments in response to COVID-19.

BFS will always consider your specific needs and we are here to support you at this time. In doing this we will need to understand the responses and actions you are taking in the current situation to mitigate any adverse impacts. We do this to support your Church or ministry so that it may be sustainable and effective for the long term and place your Church or ministry in the strongest position it can be, given the current circumstances.

To assist with the above, we have established the web page <https://www.bfs.org.au/covid19> that we plan to continue to update as a source of information for Churches. In addition, we have uploaded a document titled "Financial Giving During COVID-19" as well as a COVID-19 excel template that can be used by your Church or ministry for setting your current and future cashflow budgets and forecasts (if you don't have your own template).

An application for an adjustment to your current loan repayments should include the following: -

- a) The specific adjustment to your current loan repayments requested;
- b) Clear details about the direct cashflow impact of COVID-19 and how this is evidenced;
- c) Any current YTD financials you may have, in the form you have them;
- d) Current cash and investment balances and also cash and investment balances as at 31 December 2019 (itemised);
- e) Current Payables or obligations and liabilities and as at 31 December 2019 (itemised);
- f) What actions you have taken already to mitigate the COVID-19 impacts outlined in (b) above;
- g) What actions you are proposing to take to mitigate the COVID-19 impacts in (b) above;
- h) Provide copies of any communications to your Church congregation or supporters re financial support and giving at this time; and
- i) The COVID-19 excel cashflow template, which should be completed to identify and manage your resulting monthly cashflow during COVID-19 for at least the next 6 months, and the full 12 months where possible. This needs to be detailed monthly.

Applications that outline the steps you are taking to mitigate these impacts, and provide sufficient details will be viewed favorably. For example, actions to move to or increase electronic giving or your plans to reduce expenses. Your Relationship Manager will be happy to assist you through this process. BFS is implementing a streamlined process to consider all applications and we of course will prioritise the processing of applications according to need.

We trust this letter demonstrates our strong commitment to being your trusted Christian financial partner to enable your continued resourcing of Christian Ministry through this time.

Yours sincerely,



David Slinn
Chief Executive Officer