

These rules and regulations are promulgated pursuant to the direction of the Triangle Building and Housing Corp. Board of Directors. They may be amended or revised at any meeting of the Board.

### **I. PURPOSE**

It is the stated purpose of the Triangle Building and Housing Corp, acting by and through its Board, to make loans to chapters and colonies for the purpose of house purchase, construction and remodeling, and house furnishings and equipment. All such loans are to be made to supplement monies otherwise available to the chapters and colonies.

### **II. LOANS FOR HOUSE PURCHASE OR CONSTRUCTION**

- A. A loan for house purchase or construction (including substantial additions to existing houses) will generally be made in an amount not greater than one-third of the cost of the project for which the loan is made.
- B. Security for such loans shall be furnished in such form of a mortgage or deed of trust which shall have priority over all claims, except that with the prior knowledge and consent of the Board, a chapter or colony may grant a prior mortgage or deed of trust to a seller or commercial lender through which it obtains the greater proportion of its funds.
- C. Notes evidencing such loans shall contain the following minimum terms together with such additional terms and conditions as the Board, in its discretion, may prescribe:
  1. Payments shall be applied first to accrued interest, with the balance of each payment, if any, applied to principal.
  2. The term of the loan shall not exceed ten (10) years, provided, however, that the Board may, upon request, approve an amortization schedule based upon a period longer than ten (10) years, with the then-existing principal balance due and payable at the end of the note term. Renewal of any such note shall be at the sole option of the Board and upon such terms and conditions as the Board may then prescribe.
- D. Loan commitments shall expire one year after date of commitment, without further action of the Board.
- E. Prior to disbursement of funds by the Board, the borrower shall furnish the following documents to the Board's Secretary-Treasurer:
  1. A note executed by appropriate corporate officers in the amount of the loan approved.
  2. A copy of the recorded mortgage or deed of trust which has been filed with the recorder of deeds.
  3. A certificate of insurance, binder, or temporary insurance receipt showing Triangle Building and Housing Corp as an additional named insured.
  4. A completed "Authorization for Automatic Payment" form authorizing the Triangle Building and Housing Corp to process regular ACH transactions for loan payments.

### **III. OTHER LOANS**

- A. A loan for remodeling, furnishing and/or equipment or for major repair, replacement or installation of heating systems or fire safety equipment may, in the discretion of the Board, be made in an amount equal to the cost of the project for which the loan is made, but not in excess of \$25,000. Loans in excess of \$25,000 shall be subject to the requirements of Part II.
- B. Security for such loans shall be furnished in such form as the Board may require.
- C. Notes evidencing such loans shall contain the following minimum terms together with such additional terms and conditions as the Board, in its discretion, may prescribe:
  1. Payments shall be applied first to accrued interest, with the balance of each payment, if any, applied to principal.
  2. The term of the loan shall be determined by the Board at its discretion, based upon the amount of the loan, the financial status of the chapter, and such other factors as the Board deems appropriate, but in no event shall the term exceed ten (10) years.
- D. Loan commitments shall expire four months after date of commitment without further action of the Board.
- E. Prior to disbursement of funds by the Board, the borrower shall furnish the following documents to the Board's Secretary-Treasurer:

1. A note executed by appropriate corporate officers in the amount of the loan approved.
2. A copy of a completed security agreement, mortgage or other documentation as required by the Board in its commitment, which documentation, if appropriate, shall have been recorded with the recorder of deeds.
3. A certificate of insurance, binder, or temporary insurance receipt showing Triangle Building and Housing Corp as an additional named insured.
4. A completed "Authorization for Automatic Payment" form authorizing the Triangle Building and Housing Corp to process regular ACH transactions for loan payments.

#### **IV. LOAN GUARANTIES**

- A. The Board may, in its discretion, guaranty payment of one or more loans to a chapter or colony made by others.
- B. In general, such guaranties shall be given only when necessary or appropriate to:
  1. Increase the amount the other lender might otherwise loan.
  2. Secure a reduction in the interest rate the other lender might otherwise require, or other similar advantages.
  3. Induce the other lender to make a loan to the chapter or colony.
- C. Any such guaranty shall be limited to the Board's undertaking to maintain the monthly payment schedule without regard for any provisions for acceleration, provided the lender agrees in writing to furnish written notice to the Board of any default in payment and grant the Board thirty (30) days within which to cure such default.

#### **V. RULES AND REGULATIONS APPLICABLE TO ALL LOANS**

- A. Loan application shall be in such form and with such supporting documentation as the Board shall prescribe.
- B. Loans will be made only to the corporate entity through which a chapter or colony is organized. Upon receipt of a loan application, the Board will verify that the corporate entity is in good standing in the state of incorporation.
- C. A loan application from a colony will not be considered unless the colony has been certified by Triangle National Council.
- D. Any chapter or colony securing or holding a loan from the Triangle Building and Housing Corp shall, throughout the term of such loan, maintain insurance coverage in a form satisfactory to the Board and which complies fully with the insurance standards as established by Triangle National Council. Triangle Building and Housing Corp shall be maintained as an additional named insured on any such policy, and the insurer shall agree that no cancellation of the policy shall be effective unless the Board receives not less than thirty (30) days notice of said cancellation.
- E. Any chapter or colony securing or holding a loan from the Triangle Building and Housing Corp shall, throughout the term of such loan, authorize the Board to initiate electronic entries to the chapter checking/savings account for the automatic transfer of the monthly loan payment.
- F. The Board reserves the right to waive any rule if, in its judgment, circumstances warrant such a waiver.
- G. The Board reserves the right to amend, revise or repeal its rules and regulations at any time. New, amended or revised rules shall apply to all chapters and colonies to which loans from Triangle Building and Housing Corp are outstanding, except that no rule changing interest rates, payment terms, or security requirements will apply to any existing loan unless and until it is refinanced or renewed.
- H. Subject to the preceding paragraph, these rules and regulations, as they may be amended from time to time, shall be deemed a part of any note, mortgage, deed of trust, security agreement or other document evidencing any loan or the collateral pertaining thereto.