INDEPENDENT RESIDENCE DEVELOPMENT FUND

Upon recommendation of Mr. Snyder, it was

VOTED: That the Institute accept funds offered to it by donors for inclusion in the Independent Residence Development Fund, as described on the attached plan. Such gifts are to be used to establish a separately-invested, general purpose endowment fund, the income of which may be expended for any purpose determined by the Executive Committee of the Corporation and the principal of which may be invested as described in the attached plan. A Board of Allocation, appointed by the President of the Institute, will determine appropriate investments for the principal of the Fund except when it is invested with the General Investments of the Institute.
Recognizing the contribution to the educational and scientific purpose of Massachusetts Institute of Technology made by groups of students, undergraduates or graduates, living off the campus, the Institute has established a fund which may be so invested as to assist such groups in the acquisition, maintenance, improvement or expansion of their housing facilities. The net income of this fund shall be used for any corporate purpose of the Institute. This fund is called the "Independent Residence Development Fund." Gifts made to the Institute for this fund will be accepted with the understanding that all or any part of the fund may be, at the Institute's discretion, invested in such a way as to financially assist such groups of students, including fraternities, to acquire, maintain, improve or expand housing facilities which in the opinion of the Institute are related to and benefit the Institute's educational program.

Assistance will be furnished only at the Institute's discretion where the need and advantage to the Institute is apparent and where a practical solution of the need can be devised within the following framework:

(a) Assistance will be provided in the form of a loan secured either by a first mortgage on real property or by a chattel mortgage which is a first lien on personal property.

(b) The loan limit in each case shall be 100% of the appraised valuation of the security after allowance for the amount spent on permanent improvement of the security. It would be expected that the amount of the loan secured by real estate would be a greater percentage of the value of the security than would be granted in the case of a loan secured largely by depreciable personal property.

(c) The maximum term of such loan shall be forty years. Appropriate repayment of principal, as well as payments of interest, will be required during the term so that in every case the loan will be extinguished by maturity. It should be noted that the term of the loan will be less or the rate of repayment of principal may be accelerated, or both, if the security consists largely of depreciable property.

(d) The minimum rate of interest shall be 3% per annum.

(e) The income of the Independent Residence Development Fund shall be available for any corporate purpose of M.I.T. The principal shall be held and shall not be expended or distributed, although it may be invested as provided herein.
(f) If necessary or desirable, in the sole discretion of the Institute, the fund or any part thereof may at any time or times be invested with the general investments of the Institute as an alternative to investment in loans of the kinds above described.

(g) Gifts to the Independent Residence Development Fund:

1. May not restrict or specify the use of the income of the fund in such a way as to prevent its being used for any corporate purpose; and

2. Must, in the discretion of the Institute, allow investment of the principal of the fund in any of the ways above described and must provide that the principal shall not be expended or distributed, although it may be invested as above provided.