

**32.--Revolving Loan Fund**

1. There shall be a Diocesan Revolving Loan Fund to assist parishes/congregations of the Diocese by loans granted at a low rate of interest for the financing of:
  - (a) the erection, purchase and/or repair of church buildings and major furnishings, including organs; and
  - (b) improvements to church property generally.

**CAPITAL**

2. The capital of the Fund shall be as established by Synod, and shall consist of:
  - (a) the residue of the Jonathan Jackson Estate;
  - (b) the residue of the R.B. Hillmer Estate;
  - (c) such bequests and gifts as may in future be received for this purpose; and
  - (d) interest earned on investments and loans.

**INVESTMENTS**

3. The Fund shall be invested in loans to parishes/congregations of the Diocese as provided in section 1 above. Any remaining capital not required for loans shall be invested in the investment portfolio managed by the Diocese.

**INCOME**

4. Income earned on the invested capital of the Revolving Loan Fund may be used at the discretion of the Diocesan Council or Diocesan Sub-Council as revenue for the Diocesan budget.

**LOANS TO PARISHES/CONGREGATIONS**

5. When a parish/congregation has exhausted all other financial sources:
  - (a) revolving loans may be requested by parishes/congregations only after all other reasonable means of financing have proven to be beyond the ability of the parish/congregation to obtain;
  - (b) applications for loans from the Fund shall be considered by the Grants and Loans Sub-Committee of the Administration and Finance Committee, which shall make its recommendations thereon to the Diocesan Council, or Diocesan Sub-Council. Applications shall be considered by the Grants and

Loans Sub-Committee in the order of precedence relating to the dates on which the applications are received by the Secretary-Treasurer;

- (c) preference for funds to be loaned shall be given to the parishes/congregations with the greatest need and in accordance with the strategic priorities of the Diocese;
- (d) each application for a loan shall be submitted to the Secretary-Treasurer together with the recommendation of the Territorial Archdeacon;
- (e) all applications for loans shall be submitted by the Rector/Incumbent/Priest-in-Charge and the Churchwardens of the parish/congregation, in accordance with specific direction given to the parish/congregation from a duly constituted meeting of the Vestry;
- (f) written requests for loans shall be accompanied by complete details of the proposed undertaking, a firm bid or a reliable estimate satisfactory to the Diocesan Council or Diocesan Sub-Council, and a complete detailed plan in writing of the proposed financing; and
- (g) all applications for loans shall be considered and approved or rejected by either the Diocesan Council or the Diocesan Sub-Council.

#### **TERMS AND CONDITIONS**

6. Terms and conditions governing loans shall include:
- (a) except as otherwise authorized by the Diocesan Council or the Diocesan Sub-Council, all loans shall be repaid to the Diocese in monthly instalments, on the basis of a minimum repayment of 10% of the original amount of the loan in each year, and interest hereinafter provided;
  - (b) the maximum term of any loan shall be ten years, unless changed and approved by the Diocesan Council or Diocesan Sub-Council;
  - (c) the interest rate for all loans and the repayment Schedule shall be as determined by resolution of the Diocesan Council;
  - (d) if there is any default in the terms of the loan agreement for a period of three consecutive months, the Churchwardens and the Rector/Incumbent/Priest-in-Charge shall be required to meet with the Territorial Archdeacon to discuss the reasons for the default. A written report, including recommendations, shall be provided to the Diocesan Council by the Territorial Archdeacon;
  - (e) such other terms and conditions as may be approved by Diocesan Council;

- (f) a form of agreement in accordance with the above provisions shall be entered into between the Diocese and the parishes/congregations receiving the loan; and
- (g) parishes/congregations shall be encouraged to repay their loans as soon as possible in order that the funds repaid may be available for loans to other parishes/congregations.