

**EPISCOPAL DIOCESE OF NORTH DAKOTA**  
**CONGREGATION LOAN POLICY**

I. General: The Diocese maintains a Revolving Loan Fund which is available to congregations in the Diocese at the discretion of the Diocesan Council and under specified conditions as outlined below.

II. Excluded Purposes:

A. Loans will not be made for the following:

- Vehicles
- Ordinary maintenance
  - a. Examples: cleaning, painting, grounds keeping, minor plumbing and carpentry repairs.
- Staff, clergy & lay, salaries and benefits

III. Limit:

A. Ordinarily, the limit of a loan is \$50,000; however, this may be evaluated on a case-by-case basis by the Bishop/Finance Committee.

IV. Loan Application:

A. The Congregation Loan application must be completed in its entirety including:

- Purpose of loan
- Amount requested
- Date funds needed
- Other sources of possible funding for project
- Sources of funding for repayment
- Proposed method of repayment, including monthly payment, interest rate, number of payments
- Relevant supporting documentation
- Statistical data (Average Sunday Attendance, Number of Households and Number of Households who contribute financially).
- Church Growth & Development

B. Include current balance sheet, current budget and 2 previous year's income and expense statement.

C. The application must be approved by the Vestry/Chapter and the minutes of the meeting granting this approval and designating the appropriate officers to execute the promissory note shall accompany the application when submitting it to the Bishop.

V. Action by Diocese:

A. The application will be reviewed by the Bishop and the Finance Committee which will then forward a recommendation to the Diocesan Council for final determination.

VI. Terms of Loans:

A. Upon approval of the loan by the Diocesan Council, the Congregation shall execute a promissory note to the Diocese which shall include:

- Signatures of the authorized officers of the Congregation

- The date of the promissory note
  - The amount of the promissory note
  - The applicable interest rate of the promissory note
  - The beginning date of payments and the number of payments to satisfy the promissory note
  - The collateral, if any, pledged against the note
- B. The Diocese will provide the congregation with a schedule of monthly interest and principal payments.

VII. Interest Rate:

- A. Generally, the interest rate charged will be the prime rate as of the date of the application. The interest rate and monthly payments will be fixed. However, the Diocesan Council, in its discretion, may negotiate a different interest rate.

VIII. Our Fair Share:

- A. Congregations will be obligated to continue their Our Fair Share payments in full during the term of the loan unless adjusted by action of the Diocesan Council. An applying congregation must be current in Our Fair Share payments at the time of loan application. The congregation's history of being current with our fair share payments will be considered when determining whether or not to grant the loan.

IX. Prepayment:

- A. The congregation maintains the right to prepay the promissory note in full, or in part, at any time without penalty.

X. Renegotiation:

- A. Should a congregation be unable to continue its monthly interest and principal payments, it shall notify the Diocese with a written explanation. The Diocesan Council may, in its discretion, renegotiate the terms of the loan.

XI. Updates and Follow-up:

- A. Within six months to a year, the congregation is expected to provide an update as to the progress of the project and expected finish date.
- B. This report shall include an assessment of any contribution this project made to church growth and development.