

REVOLVING LOAN FUND

Rules for Participation January 1, 1996

Statement of Purpose: The Revolving Loan Fund was created to aid Parishes and Missions in maintenance projects which, while small, remain too large for the congregation's current annual budget.

1. Application for a loan shall be made by the Bishop's Committee of a Mission or by the Vestry of a Parish.
2. All applications are to be submitted to the Commission on Finance, which shall have authority to act on loans of \$50,000 or less. Diocesan Council may make a loan in excess of \$50,000.
3. The normal term of any loan shall not exceed 5 years, unless approved by Diocesan Council.
4. The amount borrowed shall be repaid in equal monthly payments. The interest rate is fixed for the term of the loan. The interest rate will be 1% below the Prime Rate as published in the Providence Journal on the day of the loan. Loans may be prepaid in full or in part with no penalty. Loans, which are two weeks late, are charged an additional one-month interest or \$5.00, whichever is larger. Other payment terms may be negotiated.
5. Loans may be made to congregations which, for the two years preceding the loan application, are not in arrears on the Diocesan Apportionment and which did not receive a grant from the Diocese for the Parish's basic operation.
6. In the event of any default in the payment of principal and interest for a period of eighteen (18) months, then such defaulted payments shall be deemed to be financial aid and under Canon 10.7 of the Diocese of Rhode Island, such Parish shall become an organized Mission of the Diocese.
7. To receive a loan, congregations must demonstrate, from their financial reports of the two years preceding the loan application or from written pledges, that the congregation can meet the payments created by the loan.
8. Funds must be withdrawn within twelve months of the date of final approval of the loan.
9. Congregations which secure their loan by placing endowment funds equal to the amount of the loan in the DIT in the name of both the congregation and the Diocese will receive an interest rate $\frac{3}{4}$ of 1 percent below the Revolving Loan Fund's current rate.