



Canon 32

Revolving Loan Fund

1. There shall be a Diocesan Revolving Loan Fund to assist Parishes 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 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 Diocesan Council or Diocesan Sub-Council as revenue for the Diocesan budget.

LOANS TO PARISHES

5. When a Parish has exhausted all other financial sources:
 - (a) revolving loans may be requested by Parishes only after all other reasonable means of financing have proven to be beyond the ability of the Parish 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 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 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 Incumbent and the Churchwardens of the Parish, in accordance with specific direction given to the Parish 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 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 Diocesan Council or Diocesan Sub-Council.

TERMS AND CONDITIONS

6. Terms and conditions governing loans shall include:
- (a) except as otherwise authorized by Diocesan Council or 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 Diocesan Council or Diocesan Sub-Council;
 - (c) the interest rate for all loans and the repayment Schedule shall be as determined by resolution of 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 Incumbent 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 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 receiving the loan; and
- (g) Parishes 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.