

**Procedure for Congregations Wishing to Take On Debt and Possibly Request
Permission to Apply for a Loan Through A Diocesan Loan Program**

1. A Congregation which needs to encumber its property by taking on debt must abide by the Canons of the national church (Canon I.7.3) and this diocese (Canon 14), and the procedures of the particular Diocesan Loan Program.
2. A Congregation desiring to encumber its property will submit a letter of intent to the Canon to the Ordinary. The letter of intent shall state the purpose for which permission to encumber is sought, the approximate amount of indebtedness and whether or not the Congregation wishes to borrow from a Diocesan Loan Program.
3. After review, the Canon to the Ordinary will send the Congregation the appropriate application
 - a. Application to Bishop and Standing Committee to encumber its property if the congregation does not wish to participate in a Diocesan Loan Program
 - b. Application for Revolving Loan & Grant Fund if the Congregation's request to participate in a Diocesan Loan Fund is no more than \$100,000.
 - c. Application for the Chase Bank Loan Fund if the Congregation's request to participate in a Diocesan Loan Fund is greater than \$100,000.
4. Upon receipt and review of an application for either Diocesan Loan Program the Canon to the Ordinary will take the request to the Investment and Finance Committee for review and approval.
 - a. If the application is for the Revolving Loan & Grant Fund the Investment & Finance Committee will act on the application and notify the Canon to the Ordinary who will notify the Congregation, Bishop and Standing Committee of its decision.
 - b. If the application is for the encumbrance of property, including the Chase Bank Loan Fund the Investment & Finance Committee will make its recommendation on the application to the Canon to the Ordinary.
5. If the amount of indebtedness to be incurred is greater than allowed by diocesan Canon 14.1.a and/or the application is for the Chase Bank Loan Program, the Canon to the Ordinary will then submit the request and application to the Standing Committee and the Bishop.
6. Standing Committee will act upon the request and report its action to the Canon to the Ordinary along with a copy of its minutes.
7. The Canon to the Ordinary will notify the congregation, and if necessary, Chase Bank, and supply a copy of the Standing Committee minutes relevant to this action to the congregation and any lending institutions which may require such minutes.

Approved by the Standing Committee and Executive Council at their June 2009 meetings.

Application for Permission to Take On Debt or Participate in a Loan Fund of the
Diocese of Indianapolis

Name of Parish or Organization _____

Address _____

Name, Address, Phone number and Email address of Contact Person _____

Amount of Debt to be Incurred _____

Intended Lender:

_____ Revolving Loan & Grant Fund (up to \$100,000)

_____ Chase Bank Loan Fund (over \$100,000)

_____ Other Lender

Name _____

Address _____

Contact Person _____ Phone _____

Interest Rate _____

Date money is needed _____

Requested duration of the loan _____

Explain if requested term of loan exceeds 5 years _____

Have Canon 12, Section 4 and Canon 13, Section 1, been complied with? _____

Parish Description

1. Describe the parish facilities including age and general condition of building.
2. From what geographical area are the parishioners drawn?
3. What is the trend in the number of communicants during the last five years?
4. What is the trend in the number of pledging units during the last five years?
5. What is the approximate median age of the congregation?

Specific uses of Loan

1. State overall needs
2. List the priority of specific items to address these needs
3. If this request is for repair or construction costs, attach bid copies from contractors
4. How will the project for which this loan is requested strengthen the work of the parish?

How will the Loan be repaid?

Amount to be funded from congregational sources

1. Maintenance/repair funds _____
2. Emergency funds _____
3. Capital fund drive _____
How much has been pledged to date _____
How much has been received to date _____
When will final pledges be due _____
4. Bequests _____
5. Endowments _____
6. Other _____

Applicant parishes, missions, institutions, and cooperating ministries are required to submit the following materials with this application.

1. Financial statements for the last three years
2. Operating budgets for the last three years
3. A copy of the most recent Treasurer's Report
4. List all trust funds, endowment funds, and savings accounts. Include book value, market value, and income received from each and note any restrictions on use.
5. List all outstanding loans including amount, source, interest rate, repayment schedule, and purpose.