

## **Diocesan Loan Policy**

The Diocese of Milwaukee can make loans to parishes at lower than commercial rates.

The Diocese could also guarantee loans.

The payback schedule would, ordinarily, be up to 5 years.

Interest Rates charged will depend on the interest rate environment, but are intended to be below market rates.

## **Chain of Decision Making**

1. COMD (Commission Mission and Development) is the first to review these requests. The COMD makes recommendations to the Finance Committee.

2. The Finance Committee reviews the requests from a strictly financial perspective and makes recommendations to the Executive Council.

3. If parish property is to be encumbered, approval is also needed by the Standing Committee and the Bishop.

4. Final approval/rejection would rest with the Executive Council.

## **Loan Application Required Information**

1. Name of borrowing entity

2. Is a loan or guarantee requested?

3. How much money is requested?

4. How will the money be used? Normally, loans should be for expenditures in the nature of an investment, such as improvements that save energy or serve more parishioners or repairs that avoid higher future maintenance costs. Loan should not be for operating costs.

5. Do they have a plan to pay it back? i.e. a capital funds drive or a special pledge campaign.

6. Provide 3 years worth of Financial Statements.

## **We May Also Ask**

7. Has there been an appraisal?

8. Have bids been solicited?

9. Has a commercial loan been sought? Approved? At what interest rate?