

THE EPISCOPAL DIOCESE OF BETHLEHEM
COLT/STERRETT LOAN FUND - PARISH LOANS

The Episcopal Diocese of Bethlehem makes loans to parishes and other Diocesan organizations for certain purposes from the Colt Fund and Bishop Sterrett Fund. The following guidelines apply.

1. Loans are normally available only for the cost of permanent improvements, replacements or additions to real estate or equipment. A loan application form is available from the Diocesan Office, 333 Wyandotte Street, Bethlehem, Pennsylvania 18015.
2. The applicant shall state the purpose of the loan, and how the feasibility of any project involving the construction, repair and renovation of church buildings has been determined. Bids from three (3) responsible contractors shall be included with the application.
3. Loans for permanent improvements, replacements or additions to real estate or equipment plus all other indebtedness shall not exceed 150% of the average annual receipts of the borrower during the past three years, except with the approval of the Bishop and the Standing Committee. Approvals, if applicable, shall be attached to the application.
4. The interest rate shall be 1½% less than the National Prime, as determined by reference to the Wall Street Journal on the day that the loan is approved. (But not less than 2.0%)
5. The total indebtedness to Diocesan loan funds by a borrower, barring extreme emergencies as determined by Diocesan Council, shall not exceed 20% of available funds.
6. The Finance Committee shall recommend to Diocesan Council the repayment term for the loan.
7. Parishes applying for loans are expected to be in compliance with Diocesan policies, including but not limited to audits, minimum clergy salary levels, property, liability, and workman's comprehensive insurance requirements, acceptance and assessment.
8. After recommendation by Diocesan Council, the Bishop will present the loan request to Standing Committee for their approval. After Standing Committee's approval, the Diocesan Office will inform the borrower of the loan approval and forward to it a Demand Note and Resolution from Standing Committee authorizing the borrower to incur the debt. When these documents are signed and returned, the Diocesan Office will forward the check.