LOANS

The Diocese makes loans to parishes through the Diocesan Inter-parish Deposit-Loan Fund. This fund is essentially an internal bank or depository for excess or reserve funds of parishes and institutions within the Diocese of Owensboro. Funds placed on deposit are available to parishes for low interest loans. All parish loan requests must be made through the Diocesan Inter-parish Deposit Loan Fund. Parishes are not allowed to secure financing from outside commercial lenders without the permission of the Bishop. The fund is administered by the Office of Administration at the McRaith Catholic Center under the supervision of the Diocesan Finance Council (DFC). All loan applications are reviewed by the Chief Financial Officer and approved by the Bishop or Chancellor.

If the loan is for a renovation or new construction project, the parish must first follow guidelines set forth in Diocese of Owensboro Policy Manual for Building and Renovation.

Loan applications must be made directly to the Chief Financial Officer of the Diocese. Applications must include, but are not limited to:

- Total cost of project
- Statement of cash and pledges on hand
- Cash forecast demonstrating ability to repay the loan
- History of previous loans and explanation of any unpaid loans

Loans for major renovations and new construction must be fully secured by parish savings and/or capital campaign pledges. All loans must fit within the financial ability of the parish to pay. In general, projected operating surpluses will not be considered as security for a loan and loan repayment periods cannot extend five years without the approval of the DFC and the Bishop.

If a capital campaign is done for a major renovations or new construction a Request for Exemption from the Assessment Form must be completed, returned to the Chief Financial Officer and signed by the Bishop in order for the monies to be exempted from the parish assessment.
A loan may not be approved for a parish that is not current in its obligations to the Diocese. These obligations include, but are not limited to:

- Filing of Parish Financial Statements
- Payment of Parish Assessments
- Payment of Special Collections
- Compliance with Personnel Policies
- Compliance with Financial Policies
- Compliance with Audit Findings

The Bishop and Diocesan Finance Council may, at their own discretion, direct parishes to secure financing from outside commercial lenders.