

Episcopal Diocese of Arkansas
Diocesan Development Program (DDP) Loan Procedures

The Diocesan Development Program Revolving Loan Fund exists to stimulate capital improvements in the facilities of congregations throughout the diocese. Written DDP loan requests must be received in the bishop's office at least one day prior to an Executive Council meeting, usually the fourth Tuesday of odd-numbered months. Contact the bishop's administrative assistant for specific dates. Loan requests should include the following points:

- Concise description of the project requiring the loan
- Copy of the signed Vestry minutes authorizing the loan request
- Total cost of the project based on written estimates and/or paid invoices
- Amount being paid from the church's funds
- Amount being sought or paid from a bank loan
- Amount needed from a DDP loan
- Approximate date(s) the loan proceeds will be needed
- A list of other commercial and diocesan loans the church has, including
 - Creditor's name and address
 - Collateral
 - Original loan amount and date
 - Current principal balance
 - Interest rate
 - Monthly payment
 - Balloon payment, if any
 - Maturity date
- Copy of the church's most recent Parochial Report and audit, if not already on file in the bishop's office
- Copy of the church's most recent financial statements (including balance sheet) from the prior month and the end of the prior year, if not the same as the audit year.

The interest rate is the Applicable Federal Rate (AFR) for the month in which the loan begins. Short-term rates apply to loans maturing in less than three years. Mid-term rates apply to three- to five-year loan maturities. The rate is subject to annual adjustment on the anniversary date of the loan. Interest begins on the day(s) loan proceeds are disbursed.

Monthly payments of both principal and interest are required except in rare circumstances. Payments can be amortized to fit the church's ability to pay, not to exceed a 20-year amortization with a balloon payment at the end of 5 years. The interest rate will adjust annually per the AFR on the loan's anniversary date. The Priest and Senior Warden (or where a priest is not employed, the Senior Warden and Treasurer) sign the note and subsequent renewals in behalf of the church, not as individuals.