

Diocese of Nova Scotia and Prince Edward Island
Policy 2.1.21: Personal Loans

1. PURPOSE

Clergy, Diocesan Office Staff (Lay and Clergy)

Personal Loans may be granted by the Bishop to cover emergencies or unforeseen expenses which, in the Bishop's opinion, would create an unacceptable financial hardship on the person requesting the loan. The Bishop may require the recipient of a loan to seek assistance in budgeting and financial management.

2. SCOPE:

This policy applies to all full time clerical and lay employees of the Diocese participating in the Central Payroll system.

3. POLICY:

1. A Personal Loan may be granted to a clergy person licensed by the Bishop or to a member of the Diocesan Staff.
2. The maximum amount of the loan to be granted shall be \$3,000.00.
3. The maximum term of a loan shall be 36 months.
4. In order to be granted a loan, the clergy person or staff member shall be on a Central Payroll System of the Diocese.
5. The person requesting a loan shall complete a 'Personal Loan Contract' in the prescribed form (see Appendix A).
6. The interest rate to be charged on the loan will be fixed at the prescribed rate set by Canada Revenue Agency (CRA) for employee loans on the day the loan is written.
7. A monthly repayment schedule will be established for the term of the loan to cover principal and interest.
8. A person may make lump sum payments of any amount at any time in addition to the regular monthly payments, without affecting the amount of the monthly payments.
9. If the person granted the loan should leave ministry or employment with the Diocese, the balance of the loan shall be due and payable in full, or arrangements will be made for the payment thereof as may be acceptable to the Bishop or Bishop's appointee.

4. RESPONSIBILITIES (Diocesan)

- provide appropriate information to inquirers;
- provide Personal Loan Contract and a Schedule of Repayment; and
- schedule monthly payments via Central Payroll up to and including discharge payment.

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The following Appendix is supplemental to Policy 2.1.21: Personal Loans.

APPENDIX 1: PERSONAL LOAN CONTRACT

DIOCESE OF NOVA SCOTIA AND PRINCE EDWARD ISLAND

PERSONAL LOAN CONTRACT

Memorandum of Agreement made this _____ day of _____, 20__.

I, _____, at present serving as _____ at _____, hereby acknowledge receipt of the sum of \$_____ as a loan from the Diocesan Synod of Nova Scotia and Prince Edward Island, and agree to repay this amount with interest fixed at the rate of _____%, being set at the prescribed rate established by Canada Revenue Agency (CRA) for employee loans on the day the loan is written, in monthly installments of \$_____ blended principal and interest on the _____ day of each month commencing _____ day of _____, 20__ until the _____ day of _____, 20__ on which date the balance of principal and interest shall be fully due and payable.

I understand that if, for any reason, I should discontinue my ministry or employment with the Diocese of Nova Scotia and Prince Edward Island, the entire balance of the loan will be payable immediately, and that this agreement constitutes a lien against any stipend, salary or other benefit accrued on my behalf by the Synod.

Employee Name: _____

Employee Signature: _____

Date: _____

Witness Signature: _____