

LOAN AGREEMENT AUTHORIZATION FORM

The parish listed below has been granted a loan from the Parish Investment Plan. The terms of this loan are as follows:

- 1. PRINCIPAL AMOUNT: \$ _____
- 2. INITIAL RATE: _____
- 3. LOAN TERM: _____ MONTHLY PAYMENTS

This loan is granted with a variable interest rate. The **monthly payments** set forth on this agreement are based on the principal amount, initial rate, and loan term appearing on this agreement. The interest rate will be reviewed quarterly by the Diocesan Finance Council, which will establish the interest rates for this loan and all loans in the Parish Investment Plan (PIP) for the following quarter. Monthly payments are based on the principal divided by the number of payments, minus one, plus the initial rate used to develop the provisional amortization schedule.

The final payment of the loan will be adjusted to reconcile the difference between the charged rate and the initial rate. If interest rates for the PIP loan changes dramatically from the initial rate used for the amortization schedule, the parish or school can work with the diocese to adjust the monthly payments.

This loan commences on the _____ day of _____, _____. Payment will be due and payable in monthly payments of \$_____. Payment is due on the first day of each month beginning in _____, _____, and ending in _____, _____. The final payment made in _____, _____, will depend upon the adjustment between the provisional and the actual interest rate charged.

The loan may be prepaid in any amount, at any time, prior to maturity without penalty.

Director of Financial Services

Date

ACCEPTANCE

THE FOREGOING LOAN AGREEMENT IS HEREBY ACCEPTED THIS _____ DAY OF _____, _____.

THE UNDERSIGNED HEREBY AGREES TO BE BOUND BY THE TERMS CONTAINED THEREIN.

PARISH OR SCHOOL

PRIEST OR PRINCIPAL'S SIGNATURE

DATE