
Loan Development Fund Interest Rates Policy

Background

The District Office accepts funds from churches and individuals (hereinafter called the “Depositors”) for the purpose of building up a Loan Development Fund used primarily for funding building and other capital projects of local churches within the Canadian Pacific District. The interest is payable to the Depositors on April 30 and October 31 each year and is calculated at a rate of 1.25% above the Royal Bank of Canada 179 days redeemable GIC rate at April 30 and October 31.

Loans granted to local churches out of the Loan Development Fund are subject to interests that are calculated with reference to the rates of interest payable to the Depositors.

Church Loan Interest Rates

In order to cover the costs and risks associated with the Loan Development Fund program, the interest rate charged to a local church that borrows funds from the Loan Development Fund is fixed at a spread above the interest rate payable to the Depositors.

The interest spread shall be 1.5%. The Finance Committee will monitor the interest spread and may make recommendations regarding a change in rate.

Amendments

March 2015
October 2016
September 2018
February 2019
October 2023

