

Loans for Church Buildings

Revised 2024-25

(Last update June 2025)

Information for Applicants

# Parish Loan Scheme

These loans provide a readily accessible source of funds to parishes for major works which a parish would otherwise be unable to complete.

The aim of this loan is to support churches with maintaining and improving their church buildings, as vital centres of worship, community and mission. We are particularly keen to support projects that reduce the environmental impact of our buildings as we aim to meet the Church of England’s 2030 carbon net-zero target; but we will consider all items of maintenance and improvement to the structure of the church and its contents. This can include heating and lighting systems as well as work on organ, bells and furnishings. Works to churchyards and churchyard walls will also be considered.

## Loan Size

Loans of up to £25,000 can be applied for.

## Application Deadlines and Decisions

Loans can be applied for at any time.

Loan applications will be reviewed by the Chief Financial Officer and DBF Finance Manager, and depending on the size, may be referred to the Finance, Assets and Investments Committee for decision. The Committee meets nine times a year.

## Applying for a Loan

A completed loan application form supported by the Accounts for the last two years and a cash-flow forecast covering the loan period should be submitted.

## Terms and Conditions

The following terms and conditions are in place:

1. Loans initially attract interest at the Bank of England Base Rate + 0.50% at the point of issue (i.e. at 18th June 2025, 4.25% per annum).
2. The rate of interest would then be reviewed and reset every two years on the same basis, with the maximum loan length being five years.
3. Repayments are by monthly or quarterly standing order over the term of the loan.
4. Loans not taken up within 12 months of being granted will automatically lapse and re-application will have to be made.
5. The PCC must sign a form of Undertaking to Repay.

All loans are granted at the discretion of the Leeds Diocesan Board of Finance and are subject to the terms and conditions as stated.

# Appendix B - Application for a Parish Loan

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| Parochial Church Council of | |
| Purpose for which loan is required. | |
| Total cost of above scheme (A):  £  Has DAC approval been given YES/NO | Amount of Loan required (B):  £  Period of Loan……………… (Max 5 years) |
| How does the Parish propose to fund the difference between A and B above? | |
| Financial Information:  Current Year Share Request £ Amount paid to date £  Outstanding Share Arrears (if applicable) £  Outstanding Diocesan Loan (if applicable) £ | |
| On behalf of the Parochial Church Council, we apply for the above loan and enclose.   1. Accounts for the last two years 2. Cashflow forecast for the loan period.   Chair of PCC Date:  Secretary of PCC Date: | |
| Notes  (1) Loans initially attract interest at the Bank of England Base Rate + 0.50% at the point of issue (i.e. on 18th June 2025, 4.25% per annum).  (2) The rate of interest would then be reviewed and reset every two years on the same basis, with the maximum loan length being five years.  (3) Repayments are by monthly or quarterly standing order over the term of the loan. | |