

Loan Policy for Purchase of a Car for Recently Ordained¹

- Policy: The Diocese of Fresno will grant a loan to a recently ordained priest for the purchase of a car. The amount of the loan will not exceed \$15,000.00. Needless to say, the car purchased must not be an expensive car.
- Procedure:
 - » Write to the bishop for permission.
 - » Get the best deal for your car in writing from your dealer, showing total cost including tax and license. If you do not know where to go, the Diocesan Finance Officer can advise you in this.
 - » Determine what your down payment will be.
 - » Send copies of this material to the Diocesan Finance Officer. He will prepare a promissory note for your signature. After you have signed the note, he will send you a check for the amount you will need for the car, but never more than \$15,000. The check will be made out to you and the dealer. When you sign the purchase order for your car, endorse the check and turn it over to the dealer.
 - » Register the car in your name.
 - » List the legal owner as ROMAN CATHOLIC BISHOP OF FRESNO, A SOLE CORPORATION, showing the Chancery Office address: 1550 N. Fresno St., Fresno, California, 93703.
 - » The individual priest is responsible to obtain an insurance company for the car. The insurance certificate must show us as the legal owner. A copy of this insurance must be given to the Diocesan Finance Officer.
 - Repayment will begin in the month following purchase, and the minimum payment will be \$250.00 per month via payroll deduction. No interest will be charged as long as you are not in default (make at least the minimum payment each month).
 - » For each month in which you are in default, interest will be charged (6% per month on the total unpaid balance. Once you have made up the default including the accrued interest, the loan will revert to no interest. If you are in default for four months, the bishop will be brought into the situation.
 - » This schedule contemplates repayment of the loan in no more than 5 years. The less you borrow and/or the larger your payment, the sooner the car is yours. When you complete the payments, the “pink slip” and the original note will be sent to you.
 - Other priests should normally seek loans for cars in the usual commercial market. Any priest who thinks that he may be an exception to this rule should petition the bishop in writing, stating all the facts in his case.

¹ Issued May 1998