

The Baptist Union Loan Fund and Swaffham Baptist Church

Since 2014 the Baptist Union Loan Fund has been able to provide loans to churches to clear their debt to the Baptist Pension Scheme. By June 2017, 11 churches had taken out such a loan with amounts varying between £25,000 and £100,000 - and 2 of those have already repaid their loan.

Swaffham Baptist Church is a relatively small church which is currently unable to support paid ministry. This hasn't stopped them serving their community as they run regular film nights, games events and a monthly men's group ... and host one of the distribution centres of the Mid-Norfolk Foodbank. They have also taken on a part-time volunteer youth-worker in training for 3 years

Like so many other churches, Swaffham BC has been financially challenged with a debt to meet the pension deficit relating to pensions for former ministers at their church. They were given the option of paying off the debt monthly until at least 2035 or paying off the debt as a lump sum. The church didn't have the resources to meet the entire debt (£48,000) from their own reserves and so they applied to the BU Loan Fund for a loan of £30,000. This was agreed in July 2016.

In their own words...

We assessed the options through a cashflow basis for the 20+ years for monthly payments or take out a loan and clear the debt straight away. The comparison showed that the loan route was likely to cost much less than the alternative. Research of lenders proved that a BU loan was the best rate and where we could also take a loan of the amount we needed - the main alternative lender would only loan a larger sum than we needed. Since taking out the loan we have been able to pay off a third of the loan due to the generosity of a church member and reduce the monthly repayment to a more manageable level which would still enable us to reduce the repayment period. To date the chosen route and lender have proved an effective way of progressing towards clearing our debt. (Alan Sparrow, Church Treasurer)



For more information about the Baptist Union Loan Fund go to www.baptist.org.uk/loans or contact the BU Loan Fund Officer at Baptist House

Churches wishing to apply for a loan to help pay off their pension debt should contact a member of the Pensions Team – Mark, Colin and Jason. Their contact details can be found at <http://www.baptistpensions.org.uk/contact/> Currently loans are only available to churches which had a cessation event prior to March 2017 and do not have a current member in the Baptist Pension Scheme.