Office of Parish Finance
Parish Bulletin

TOPIC

Archdiocese of Denver Irrevocable Revolving Fund Trust (**IRFT**)[1]

NOTICE OF IRFT INTEREST RATE CHANGES

Effective October 1, 2026:

- interest rate paid on IRFT **deposits**: 3.75% (increased from 3.50%)
- interest rate charged on IRFT **loans**: 6.00% (increased from 5.75%)

IRFT Rate Change Process and Background

Per IRFT terms, funds deposited into/loaned out of the IRFT earn interest/incur interest charges at rates determined by the Archdiocese of Denver Management Corporation (Management Corporation). These rates are based on the advice the Management Corporation receives from the IRFT Management Committee and are in relation to the **current bank prime lending rate as published in the Wall Street Journal** (note: the interest rate on an IRFT loan is adjusted and compounded monthly as of the first day of each month).

This bulletin is being issued based on the Federal Reserve's recent activity impacting the current bank prime lending rate. Specifically, at the end of the Federal Reserve's committee meeting held on September 16, 2026, the Federal Reserve Board's Federal Open Market Committee (**FOMC**) announced a 0.25% increase in the target rate for Federal Funds. Thereafter, effective September 17, 2026, in response to FOMC action, banks began announcing an equivalent increase in the prime rate.[2]

The Management Corporation is continuing its focus on providing our borrowers an attractive loan rate while continuing to offer a competitive deposit rate. As a reminder, the IRFT was created to support the Archdiocese of Denver, parishes helping parishes and we are all united in the mission,

[1] Trust Background. Established in 1999, the Archdiocese of Denver Irrevocable Revolving Fund Trust (IRFT) is a religious and charitable trust organized to build up the Kingdom of God within the territory of the Archdiocese. Specifically, the IRFT provides parishes and other IRFT eligible entities with the ability to obtain competitive terms for depositing and borrowing money to, in principal part, provide a secure means for IRFT participating entities to support one another through both deposits, and loans intended for the repair, renovation and construction of facilities, the purchase of real estate, and, in limited circumstances, for the provision of funds for entity operations. These funds are separate from Archdiocesan funds. For additional information regarding IRFT processes, refer to the Archdiocese of Denver Pastoral Handbook, chapter 8.10 entitled Irrevocable Revolving Fund Trust Guidelines.

[2] The prime rate is generally the interest rate charged by banks to their most credit-worthy customers.

so that in Jesus Christ all might be rescued and have abundant life for the glory of the Father. As a result, the Management Corporation will provide the current deposit and loan spreads as follows:

	Current Prime Rate
Deposit Rate	Less 325 basis points
Loan Rate	Less 100 basis points

As such, effective October 1, 2026, the IRFT loan and deposit rates are modified as follows: (i) the interest rate charged on IRFT loans will increase from 5.75% to 6.00%; and (ii) the interest paid on IRFT deposits will increase from 3.50% to 3.75%.[3] The Management Corporation will continue to monitor the interest rate environment, with the goal of achieving its threefold objective of 1) offering a competitive rate of interest to depositors, 2) providing an attractive rate with no fees and simplified process to borrowers, and 3) maintaining the financial health and net capital levels of the IRFT.

What to Consider Related to Interest Rate Changes? [4]

Interest rate increases after your loan was amortized (and payments set) could leave parishes with higher interest costs and loans that do not pay off in the defined loan term, thereby requiring a "balloon payment" at the end of the loan term. Traditionally, the IRFT has fixed the loan payments to allow parishes a stable payment amount to use for planning and budgeting. However, when interest rates rise, parishes will end up paying more interest costs and less of their monthly loan payments will be applied to the loan balances. Accordingly, if interest rates are or were higher than when your loan was amortized (and payments set), and parishes do not supplement their loan payment, they will end up owing a potentially large "balloon payment" at the end of the loan term.

It is recommended that parishes meet with their respective finance councils and: 1) consider existing loan terms, balance, and future impact of interest rate increases; 2) plan for changes in interest rates within the operating budget; 3) consider increasing monthly loan payments to minimize the potential for a balloon payment; and otherwise, 4) launch a debt retirement fundraising campaign to pay off the loan early.

If Parish personnel or other IRFT borrowers / depositors have any questions or require further clarification, please reach out to the Archdiocese of Denver's Office of Parish Finance at aodparishfinance@archden.org.

[3] Regarding the IRFT interest rate on deposits, a strategic decision is currently in place that has the IRFT rate of return objective being the same as that of Archdiocesan Short-Term Money Management investments over a full market cycle. That objective is to earn an appropriate rate of return while reducing exposure and risk of losses to a minimal level. Regarding the IRFT, this has translated to an interest rate on IRFT deposits being 325 basis points below the current prime rate (or, effective October 1, 2026, 7.00% - 3.25% = 3.75%).

[4] Note: The FOMC "Inflation remains elevated relative to the Committee's 2 percent goal." See https://www.federalreserve.gov/newsevents/pressreleases/monetary20260729a.htm.