



The Parochial Fund, Inc.
P. O. Box 189666 Sacramento, CA 95818
(916) 733-0277

January 13, 2012

RE: IMPORTANT NOTICE REGARDING INTEREST RATE CHANGES

Dear Pastor, Parochial Administrator, Parish Steward:

This is to inform you that the Board of Directors of The Parochial Fund Inc. has approved a reduction in the interest rate charged for loans and the interest rate paid on deposits. **Beginning January 1, 2012 the rate charged for loans is reduced to 4% per annum and the rate paid on deposits is reduced to 2.5% per annum.** It is the intent of the board that these rates will remain in effect for the 2012 calendar year, but the board reserves the right to change the rates if circumstances warrant.

In making this additional reduction in rates, the Board considered that the current severe economic downturn has not improved materially over the last several years and that there remains significant pressure on parish operating budgets and also the finances of many of our parishioners. The Board also considered the continued volatility of the stock market and that yields on fixed investments are at historic lows with the ten year treasury rate below 2% and five year CD rates similarly situated. The Board feels that the 2.5% rate to be paid on deposits represents an excellent yield for a demand account in the current environment.

Please note that with the exception of this temporary reduction in interest rates, all Loan Agreements remain unchanged.

The Parochial Fund Inc. continues to serve well the parishes and schools of our diocese who seek to build up His Kingdom in this portion of the vineyard. The Board of Directors thanks you for your continued participation in this vital program.

If you have any questions, please call Thomas McNamara, Treasurer.

Sincerely,

THE PAROCHIAL FUND, INC.

A handwritten signature in cursive script that reads "Ignatius Haran".

By: Rev. Ignatius Haran, President