

# CHURCH FUNDS MANAGEMENT

## CBL TERM INVESTMENT INFORMATION SHEET

### **Why is the Foundation changing the format of the Church Building Loan Fund?**

The Church Building Loan Fund was opened to direct investment for Church Funds Management (CFM) clients in 2006. At that time the fund was paying comparable interest rates as bank money market accounts with similar 30 day liquidity. As interest rates declined throughout 2008 and 2009, the Church Building Loan Fund interest rate remained relatively stable. To continue to pay significantly above market interest rates on an investment with 30 day liquidity would impact our ability to offer competitive Church Building Loans. Our desire is to strike a balance between offering competitive church building loans while at the same time providing a valued investment for our Church Funds Management clients.

### **Why have interest rates changed, and how often will they change in the future?**

The Foundation will offer four CBL Term Investment options: One Month, Six Month, One Year and Two Years. Once you have chosen one of the four CBL Term Investments, the interest rate for that deposit will be fixed for the term of the investment. Interest rates published for future term investments will be updated monthly to better reflect market conditions.

### **What do I need to do?**

We would ask you to thoroughly read the enclosed materials. You will need to complete and return a new Church Funds Management Master Agreement as well as a Church Funds Management Investment Allocation Form (one for each CFM account). The Investment Allocation Form will tell us how you want your current Church Building Loan Fund deposit to be allocated between the four available CBL Term Investments and/or Market Investments.

### **Can I make other investment choices in place of the new CBL Term Investments?**

Yes, you have a number of choices. You may select the new CBL Term Investments with One Month, Six Month, One Year, or Two Year terms, and you may select these alone or in combination with our other investment options. The Market Investments include the General Investment Pool, Total Equity Pool, Balanced Pool, Fixed Income Pool, and Money Market Mutual Fund. The Church Funds Management Investment Allocation Form enclosed will enable you to select a dollar amount for CBL Term Investments and a dollar amount (if any) for Market Investments.

### **Is there flexibility to select multiple CBL Term Investments?**

Yes, we have designed this program to give you as much flexibility as possible. You may wish to have more than one of a specific CBL Term Investment (e.g., three one-month CBL Term Investments, or two one-year CBL Term Investments). Your organization may wish to “ladder” their CBL Term Investments going forward. While the form may not accommodate your desires, just give us a call and we can help you structure an investment portfolio that will meet your organization’s goals.



**Can I send additional funds to be invested in this program?**

Yes, you may mail a check or wire additional funds (wiring instructions provided upon request). You may add these additional funds to your existing Church Funds Management account, or you may open a new account. If you add to an existing account, we will need to be sure that your existing Church Funds Management Investment Allocation Form provides the asset allocation instructions we need. If you add to a new account, you will need to complete a new Church Funds Management Investment Allocation Form for that account.

While you may add to existing Market Investments, new funds designated for CBL Term Investments require the purchase of a new term investment.

**What are the fees and penalties that may exist with the new CBL Term Investments?**

There are no fees charged to deposits in the CBL Term Investments. Your deposit will receive the stated interest rate for the fixed term of the CBL Term Investment you choose. A penalty of accrued interest not to exceed 1% of amount withdrawn will be applied to early withdrawals.

**How much time do I have to make an allocation decision?**

We understand there may be other people involved in the decision making process and are providing a transition period of approximately 60 days (October 29, 2010) to complete and return the Church Funds Management Master Agreement and Investment Allocation Form (one Allocation Form for each CFM account). We are available to help structure your account to best meet your investment objectives. *If we don't hear from you by October 29th, we will allocate your investment in Church Building Loans to a One Month CBL Term Investment.*

**Can I close my account?**

While we hope that you will give this new program strong consideration, the answer is Yes, you may close your account. If you wish to close the account, simply send us a written request signed by the authorized signers for your account. Any withdrawals will be processed at the end of the month.

**Who can I talk to if I have questions?**

You may speak to Jerry Vaughan, Sr. Vice President, Services to Churches. Jerry is the lead person regarding Church Funds Management accounts. His phone number is 405.949.9500 ext. 108, and his email is [jvaughan@bfok.org](mailto:jvaughan@bfok.org). You may also speak to Brooke Mowery, Investment Officer. Brooke provides the back-office support for this program. Her phone number is 405.949.9500 ext. 118, and her email is [bmowery@bfok.org](mailto:bmowery@bfok.org). We look forward to answering your questions and assisting you through this transition.

