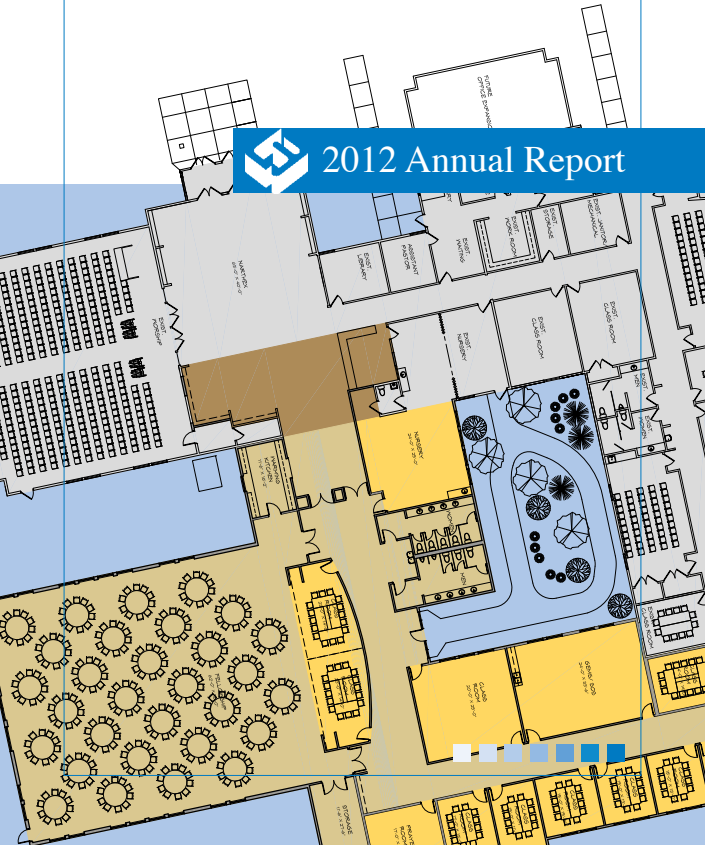




# 2012 Annual Report



## About the Loan Fund

The Loan Fund was established by Synod in 1983 to enlarge the denomination's potential for assistance to churches beyond what was already being provided by the Church Help Fund and CRC Home Missions. In 1983, the Church Help Fund was dissolved, and its assets of approximately \$2.5 million in cash and loans receivable were transferred to the Loan Fund. Since that beginning, the Loan Fund's assets have grown to \$31.4 million and the Loan Fund has made nearly two hundred loans totaling more than \$60 million to Christian Reformed churches across the United States.

As now established, the Christian Reformed Church Loan Fund, Inc., U.S. is a legally autonomous Michigan non-profit corporation affiliated with the Christian Reformed Church in North America (CRCNA). It operates solely for the benefit of the CRCNA and its member churches and boards. The Loan Fund is managed by a six-member board of directors elected by Synod to serve three-year terms.

The Loan Fund offers loans to Christian Reformed Churches in the United States for the acquisition or construction of church facilities, parsonages, and land. Loans are also made for improvements and repairs to church property. These loans are usually made with rates and fees that are generally more favorable than those offered by traditional lenders such as banks and credit unions. The primary source of funds for lending activities is funds

invested in the Loan Fund by members, churches, and classes of the CRCNA as well as organizations related to the Christian Reformed Church. The Loan Fund also obtains funds from revenues generated by its lending activities and interest received on deposits of its funds. The Loan Fund is unique in that it does not solicit gifts nor does it receive ministry shares to support any of its activities.

The ministry of the Loan Fund is made possible by the dedication and support of hundreds of members of the Christian Reformed Church throughout the United States who wish to make their investments further the work of the kingdom while earning reasonable returns. Through the ministry of the Loan Fund, members and organizations in the Christian Reformed Church have an opportunity to pool their resources and use their investments to help churches expand their ministries and reach out to their communities with the good news of the gospel.



**The River CRC**  
Redlands, California

## Operations

The Loan Fund saw a resurgence in church borrowing during fiscal year 2012, following several years of declining loan demand. During fiscal 2012 the Loan Fund closed new loans totaling \$2.8 million, compared to \$422,000 in fiscal 2011, a possible sign that churches are feeling more confident about both the overall economy and their own financial health. Total assets of the Loan Fund decreased slightly to \$31.4 million from \$32.1 million in 2011. A corresponding decrease of \$1.0 million in certificates payable was experienced during the year, largely due to the low interest rate environment.

The Loan Fund reported net income of \$338,609 for fiscal 2012, up from \$320,234 in fiscal 2011.





**Fairway, CRC**

Jenison, Michigan

## Loans

The Loan Fund makes mortgage loans in amounts up to \$1,500,000 to Christian Reformed Churches for the purchase of facilities or land, the construction or remodeling of a facility, and, when funds are available, the refinancing of existing debt. Unsecured loans in amounts up to \$50,000 are available for smaller projects such as repairs or minor remodeling. Any organized Christian Reformed Church in the United States that meets the Loan Fund's underwriting criteria is eligible for these loans. The Loan Fund generally offers only variable rate loans.

During fiscal 2012, new loans were closed for North Hills CRC, Troy, MI, East Bay Korean CRC, El Cerrito, CA, Fairway CRC, Jenison, MI, The River CRC, Redlands CA, and Oasis Community CRC, Moreno Valley, CA.





**East Bay Korean CRC**

El Cerrito, California



## Investments

The Loan Fund offers Investment Certificates with terms ranging from one to five years. Investors have the option of receiving interest quarterly, monthly (for certificates of \$50,000 or more), or allowing the interest to compound. Those who wish to receive their interest monthly or quarterly can either receive a check or have their interest automatically deposited to their local bank account.

The Loan Fund also offers two additional certificate options. The Flex Investment Certificate permits investments and redemptions at any time, and the interest rate paid increases on a tiered basis as the balance in the certificate increases.

Because the Loan Fund is committed to assisting churches in meeting their facilities needs, the Loan Fund also offers a certificate designed exclusively for the building funds of Christian Reformed Churches. The Flex Building Fund Certificate allows unlimited investments, up to two no-fee redemptions each month, and pays the same rate as our one-year investment certificate.

Due to a strong liquidity position, the Loan Fund did little to attract new funds and rates paid on investments reflected that fact, although rates for three, four and five year certificates were increased slightly in order to attract additional longer term



funding. Interest paid to our investors was \$561,312, down slightly from \$681,319 in 2011.

The rates paid on investments are determined primarily by two factors. First, the Loan Fund attempts to pay rates comparable to similar investments in the marketplace. Therefore, rates paid by the Loan Fund will generally move up or down along with market rates. The level of demand for loans from churches will also influence the rates paid by the Loan Fund. If the demand for loans is high and funds are needed to meet that demand, rates may be increased in order to attract the needed investments. Conversely, if demand is low and sufficient funds are available to meet loan demand, rates may be reduced. Since the rate the Loan Fund pays on investments directly affects the rate paid by churches for loans, we attempt to maintain reasonable rates on investments so that, in turn, churches are able obtain competitive rates on loans.



**North Hills CRC**  
Troy, Michigan

Board of Directors



**Christina Bower**, Grand Rapids, MI. Accountant, Property Resources, Inc., Grand Rapids, MI.



**Andrea Karsten**, Grand Rapids, MI. Financial Consultant, Wells Fargo Advisors, Grand Rapids, MI.



**Thomas Sinke**, Grand Rapids, MI. Senior Architect, AMDG Architects, Inc., Grand Rapids, MI.



**Chad M. Steenwyk**, Holland, MI. Co-pastor, Central Avenue Christian Reformed Church, Holland, MI.



**Jon W. Swets**, Grandville, MI. Chief Financial Officer, Macatawa Bank, Holland, MI.



**Scott K. Ritsema**, Grand Rapids, MI. Senior Tax Manager, Dolinka Van Noord and Co. CPA's, Grand Rapids, MI.



Staff



**David E. Veen,**  
Executive Director



**Alice M. Damsteegt,**  
Customer Service Specialist



**Oasis Community Church**

Moreno Valley, California



## Financial Highlights

### STATEMENTS OF FINANCIAL POSITION

**June 30, 2011 and 2012**

#### **Assets**

Cash and cash equivalents

Due from CRCNA

Interest receivable

Notes receivable, net of allowance for uncollectible notes

#### **Total Assets**

#### **Liabilities**

Certificates payable

Accrued interest

#### **Net Assets - Unrestricted**

#### **Total Liabilities and Net Assets**

### STATEMENTS OF ACTIVITIES

**Years ended June 30, 2011 and 2012**

#### **Revenues:**

Interest income

Interest income from the CRCNA

Other income

#### **Total Revenues**

#### **Expenses:**

Interest

Provision for loan losses

CRCNA support charges

Administrative

#### **Total Expenses**

**Excess of revenues over expenses**

**Net Assets, Beginning of Year**

**Net Assets, End of Year**

<b>2012</b>	<b>2011</b>
\$7,004,061	\$6,579,248
\$2,000,000	\$2,000,000
\$94,345	\$88,693
<u>\$22,318,848</u>	<u>\$23,452,024</u>
<u>\$31,417,254</u>	<u>\$32,119,965</u>

\$24,471,179	\$25,509,110
\$66,961	\$70,350
<u>\$6,879,114</u>	<u>\$6,540,505</u>
<u>\$31,417,254</u>	<u>\$32,119,965</u>

<b>2012</b>	<b>2011</b>
\$1,141,872	\$1,220,365
\$43,285	\$59,418
<u>\$5,287</u>	<u>\$2,241</u>
<u>\$1,190,444</u>	<u>\$1,282,024</u>

\$561,312	\$681,319
\$0	\$0
\$166,761	\$142,747
<u>\$123,762</u>	<u>\$137,724</u>
<u>\$851,835</u>	<u>\$961,790</u>

\$338,609	\$320,234
<u>\$6,540,505</u>	<u>\$6,220,271</u>
<u>\$6,879,114</u>	<u>\$6,540,505</u>



CHRISTIAN REFORMED  
CHURCH

## LOAN FUND

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Grand Rapids, MI 49560

(616) 224-0829 • (800) 332-0012

E-mail: [crlf@crcna.org](mailto:crlf@crcna.org)

Web site: [www.crcna.org/loanfund](http://www.crcna.org/loanfund)

Investments in the Loan Fund involve certain risks more fully disclosed in the offering circular.

**This brochure does not constitute an offer to sell or a solicitation of an offer to purchase. Offers will be made only by the offering circular in those jurisdictions where it is lawful to make such an offer or solicitations of an offer.**

***Not FDIC or SIPC Insured***

***Not a bank deposit***

***No CRC Guarantee***

**Investment Certificates currently only available for sale in  
AK, AZ, CA, CO, FL, IL, IN, IA, MD, MA, ME, MI, MN,  
MT, NV, NH, NJ, NM, OH, SD, TX, WA and WI.**

