

July 4, 2023

Dear Borrower,

Re: Your loan with CCMBC Investments Ltd.

SUMMARY:

- Interest Rates remain unchanged on July 1, 2023
 - We anticipate new rates will be in place on or after September 1, 2023
 - No other changes to the program
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First and foremost, we thank you for your ongoing partnership and trust as we provide mortgage loans to churches in support of the ministry happening in Canada through the Mennonite Brethren Conference. This program is made possible by the investment from individuals through us. Individuals entrust their funds into our stewardship, and as they earn a return on their investment, they also enable us to provide mortgage loans to churches and ministry-focused financial services to facilitate Kingdom growth. Truly, we are all partners “Investing in Kingdom Growth Together”.

In the early 1980s, God put people in place who would launch a program, unique to the MB church, that would make millions of dollars available for church planting and growth across Canada (from *MB Herald* article [How a House Fire Sparked a Million Dollar Ministry](#)). This vision continues today, and has expanded to include payroll services, pension and benefits administration, and accounting services. These financial services are utilized by most of the MB churches and their employees.

Change is inevitable and a part of running a program for almost 45 years. It can look different – updating computer systems or processes, changes in leadership, or how the accounts are managed. In 2019, after several years in the making, we completed the reorganization of our investments and loan program. This structural pivot was necessary to ensure the continuation of the investments program within changing securities regulations. We felt the new structure with CCMBC Investments most closely resembled the prior program through CCMBC Stewardship Ministries and allowed our client accounts and loans to largely continue to function in the same way as they had in the past.

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Upon reorganization in 2019, we could not have anticipated the COVID-19 pandemic in the spring of 2020 or the subsequent rapid increase of interest rates in 2022. Both events revealed limitations in our process for setting the interest rate for Noteholders. When interest rates were very low, we found our rate was not high enough to attract new investments. Now, with the rapid increase in the Bank of Canada rate, the rate we are paying investors is significantly more than even a locked-in 5-year term investment at a bank. While this may sound like good news to investors, it has become increasingly problematic for our borrowers. The rate we pay our investors has consequences for you; our borrowers.

We understand a primary reason most Noteholders invest with us is because the earnings help ministry and churches. Our investors share an affinity for Kingdom growth. Furthermore, the primary purpose of the investments program has always been and continues to be to facilitate the lending of money to MB Churches and institutions such as schools and camps as mortgage loans.

We have also heard feedback that investors neither want to receive rates that are too low, nor rates that are higher than necessary thereby causing undue hardship to those they are helping.

With that in mind, we are making a change to the way the interest rate is determined for our investments. We are anticipating that beginning September 1, 2023 we will be going back to a system where our board determines the interest rate for investments (without a set formula) set on January 1 and July 1 each year.

What does this mean for you?

- On July 1, 2023, the interest rate for all loans will remain unchanged.
- On or after September 1, 2023 (or later in the discretion of the board), new rates go into effect for the investors, and we will make a one-time mid-year adjustment to your loan rate. This rate will remain in effect until December 31, 2023. We anticipate the rate will be lowered and give relief to the current loan rate.
- The rate will continue to be variable and set twice by the board twice per year on January 1 and July 1 each year.

If you know anyone that may be interested in investing with CCMBC Investments, please have them reach out to us at 1-888-669-6575 or legacy@mbchurches.ca, and they will be put in touch with Capstone Asset Management, who handles all investments in CCMBC Investments Ltd.

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Questions?

- If you have further questions about the decision-making process or what this means for you, please reach out.
- If you would like to know what payment arrangements can be made for your loan, please contact Elenore Doerksen at elenore.doerksen@mbchurches.ca or 1-888-669-6575.

We appreciate the relationship we have with each one of you as we strive to be partners in ministry together,

Jason Krueger
Chief Executive Officer

Jim Bell
Chief Financial Officer

Elenore Doerksen
Mortgage Manager

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