



# LUTHERAN CHURCH EXTENSION FUND—MISSOURI SYNOD

## **SOUTH CAROLINA OFFERING CIRCULAR**

**\$1,500,000,000**

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St. Louis, Missouri 63127  
Telephone: 800-843-5233  
Current Interest Rates: 800-678-2285

**THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES DEPARTMENTS OF THOSE STATES WHICH HAVE LAWS EXEMPTING SECURITIES OF CERTAIN RELIGIOUS, CHARITABLE AND EDUCATIONAL ORGANIZATIONS, BUT COPIES OF THIS OFFERING CIRCULAR HAVE BEEN FILED WITH THOSE DEPARTMENTS; AND NO OBJECTION HAS BEEN EXPRESSED TO THE ISSUER RELYING ON THE EXEMPTIONS FROM REGISTRATION. HOWEVER, THOSE SECURITIES DEPARTMENTS HAVE NOT IN ANY WAY PASSED UPON THE MERITS OF THE QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, THE SECURITIES HEREBY OFFERED OR PASSED UPON THE ACCURACY OF THE OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS UNAUTHORIZED.**

**THE FOREGOING STATEMENT AND CERTAIN OTHER PORTIONS OF THIS OFFERING CIRCULAR ARE USED BECAUSE STATE LAW REQUIRES SUCH OF ALL ISSUERS OF SECURITIES, AND THE LANGUAGE USED IS GENERALLY SIMILAR TO THAT USED BY ALL ISSUERS.**

**THIS OFFER IS SUBJECT TO CERTAIN RISK FACTORS DESCRIBED ON PAGES 9-10 HEREOF.**

**The date of this Offering Circular is October 1, 2008.**

**(This Offering Circular is intended to be used by investors from October 1, 2008, through September 30, 2009.)**

**The following investment obligations (the “Notes”) of the Lutheran Church Extension Fund—Missouri Synod are offered under the terms set forth under “Description of Notes” on pages 28-32. Except as noted, each of the following Notes is offered October 1, 2008.**

### **NOTES**

#### **K.I.D.S. Stamps (Not Available)**

Investment stamps issued for \$.25 and \$1.00.

#### **Dedicated Certificate (Not Available)**

A demand certificate with a multitiered minimum balance, and a variable interest rate.

#### **Family Emergency StewardAccount® Certificate (Not Available)**

A demand certificate with an initial minimum investment of \$25, a variable interest rate, and required minimum additional direct investments through electronic transfer of \$25 monthly.

#### **StewardAccount® Certificate (Not Available)**

A demand certificate with a multitiered minimum balance, an initial minimum investment of \$100, and a variable interest rate.

#### **FlexPlus Certificate (Not Available)**

A demand certificate with a multitiered minimum balance and a variable interest rate used exclusively for Health Savings Accounts (“HSAs”).

#### **Fixed-Rate Term Note**

A note having available terms of 90 days; 6, 9, or 18 months; and 1, 2, 3, 5, or 6-20 years; an initial minimum investment requirement, and a fixed interest rate.

#### **Floating-Rate Term Note**

A note having available terms of 30 or 60 months, a multitiered minimum investment, and a variable interest rate.

#### **Congregation Demand Certificate (Not Available)**

A demand certificate with an initial minimum investment of \$100 and a variable interest rate.

#### **Congregation StewardAccount® Certificate (Not Available)**

A demand certificate with an initial minimum investment of \$100, a variable interest rate, and jumbo multitiered rates.

#### **Congregation Cemetery Perpetual Care StewardAccount® Certificate (Not Available)**

A demand certificate with a multitiered minimum balance, an initial investment minimum of \$1,000, and a variable interest rate.

#### **Congregation Fixed-Rate Endowment Certificate**

A note having a five-year term, a three-tiered minimum balance, and a fixed interest rate.

#### **Congregation Floating-Rate Endowment Certificate**

A certificate having a 60-month term, a three-tiered minimum balance, and a variable interest rate.

### **TAX-DEFERRED INVESTMENTS**

All Notes offered to individuals may be available as investments for Tax-Deferred Plans, except HSAs and StewardAccount(s), at such minimum investments to be determined by LCEF. The terms and minimums for such investments are described in the “Description of Notes” on pages 28-32.

The aggregate amounts of the Notes being offered may be sold in any one or more of the offered categories.

This offering is not underwritten, and no commissions or discounts will be paid. LCEF, therefore, will receive 100% of the proceeds from the sale of the Notes and will bear all of the expenses incurred in making this offering.

No sinking fund or trust indenture will be established by LCEF in connection with the issuance of the Notes. Investors, therefore, must rely solely upon the financial condition of LCEF for repayment. All of the Notes are unsecured debts of LCEF, and at this time, LCEF does not contemplate issuing Notes having a higher priority to its assets. However, LCEF reserves the right to do so in the future and LCEF periodically draws upon a line of credit secured by a first lien on its assets, provided that the total amount of senior or secured indebtedness does not exceed ten percent (10%) of LCEF's tangible assets. See "Lines of Credit" on page 25. The Notes are nonnegotiable and may be assigned only upon LCEF's written consent. See "Plan of Distribution" on page 33.

With regard to South Carolina Note holders, it will be an event of default if principal or interest on the Notes held by any such holder is not paid for a period of ninety days from the date of lawful demand by such holder, other than by clerical or administrative oversight, unless default is waived by such holder or legally contested by the LCEF. Such an event of default on the South Carolina Notes shall constitute a default on all Notes issued to all LCEF Note holders. Upon such an event of default, each South Carolina Note holder shall have the right to obtain the names and addresses of all holders of LCEF Notes and by a vote of 25% or more of all such LCEF Note holders, to declare all such Notes due and payable at once.

**THE OFFER AND SALE OF THE NOTES IS LIMITED TO i) PERSONS WHO, PRIOR TO RECEIPT OF THIS CIRCULAR, WERE MEMBERS OF, CONTRIBUTORS TO, OR PARTICIPANTS IN THE LUTHERAN CHURCH—MISSOURI SYNOD, INCLUDING ANY DISTRICT OR OTHER PROGRAM, ACTIVITY OR ORGANIZATION WHICH CONSTITUTES A PART OF THE SYNOD OR ANY OF ITS DISTRICTS, OR ANY CONGREGATION OF THE SYNOD, OR OTHER PERSONS WHO ARE ANCESTORS, DESCENDANTS, OR SUCCESSORS IN INTEREST TO SUCH PERSONS ("INDIVIDUAL INVESTORS") AND ii) CONGREGATIONS, ASSOCIATIONS OF MEMBER CONGREGATIONS, EARLY CHILDHOOD CENTERS, ELEMENTARY AND SECONDARY SCHOOLS, RECOGNIZED SERVICE ORGANIZATIONS, AND OTHER ORGANIZATIONS AFFILIATED WITH THE SYNOD OTHER THAN SYNODICAL CORPORATIONS, AND OTHER ORGANIZATIONS WHOSE PURPOSES INCLUDE SERVING MEMBERS OF THE LUTHERAN FAITH OR TO CARRY OUT THE PURPOSES OF THE LUTHERAN CHURCH—MISSOURI SYNOD ("ORGANIZATIONAL INVESTORS"). INDIVIDUAL INVESTORS AND ORGANIZATIONAL INVESTORS ARE HEREINAFTER COLLECTIVELY REFERRED TO AS ("INVESTORS"). ANY FIDUCIARY FOR AN INDIVIDUAL INVESTOR SHALL BE DEEMED TO BE AN INDIVIDUAL INVESTOR.**

**NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THIS OFFERING OTHER THAN THOSE CONTAINED IN THIS OFFERING CIRCULAR, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN MADE OR AUTHORIZED BY LCEF.**

**THE OFFER AND SALE OF THESE SECURITIES HAS NOT BEEN REGISTERED WITH, NOR HAS THIS OFFERING CIRCULAR BEEN SUBMITTED TO OR REVIEWED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION IN RELIANCE UPON THE EXEMPTION FROM REGISTRATION CONTAINED IN SECTION 3(a)(4) OF THE FEDERAL SECURITIES ACT OF 1933, AS AMENDED.**

**INVESTORS ARE ENCOURAGED TO CONSIDER THE CONCEPT OF INVESTMENT DIVERSIFICATION WHEN DETERMINING THE AMOUNT OF NOTES THAT WOULD BE APPROPRIATE FOR THEM IN RELATION TO THEIR OVERALL INVESTMENT PORTFOLIO AND PERSONAL FINANCIAL NEEDS.**

#### **STATE-SPECIFIC INFORMATION**

The following states require these additional disclosures:

##### **ALABAMA RESIDENTS**

**THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER THE ALABAMA SECURITIES ACT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE ALABAMA SECURITIES COMMISSION. THE COMMISSION DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF THIS PRIVATE PLACEMENT MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

##### **CALIFORNIA RESIDENTS**

**THE OFFERING OF SECURITIES DESCRIBED HEREIN IS AUTHORIZED BY A PERMIT GRANTED BY THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA. THE COMMISSIONER DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF THESE SECURITIES NOR HAS THE COMMISSIONER PASSED UPON THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED IN THIS OFFERING CIRCULAR.**

**WHEN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF LCEF AND THE TERMS OF THE OFFERING, INCLUDING THE DISCLOSURE, MERITS AND RISKS INVOLVED.**

**THE NOTES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT DETERMINED THE ACCURACY, ADEQUACY, TRUTHFULNESS, OR COMPLETENESS OF THIS DOCUMENT AND HAVE NOT PASSED UPON THE MERIT OR VALUE OF THE NOTES, OR APPROVED, DISAPPROVED OR ENDORSED THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

The total amount to be sold in all categories will not exceed \$1,500,000,000 and in California will not exceed \$75,000,000. The amount that may be sold in certain categories of Notes nationwide is limited to the amount expected to be sold in each category, plus \$20,000,000 provided that the \$1,500,000,000 nationwide amount is not exceeded.

The maintenance fees described in the "Description of Notes" on page 28 will not apply to any LCEF Note purchased by a California Investor.

#### **FLORIDA RESIDENTS**

**THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE STATE OF FLORIDA. THE SECURITIES ARE BEING SOLD PURSUANT TO THE EXEMPTION IN SECTION 517.015(9), F.S. LCEF IS REGISTERED AS AN ISSUER-DEALER IN THE STATE OF FLORIDA, AND ONLY THOSE PERSONS WHO ARE REGISTERED WITH THE DIVISION OF SECURITIES AND FINANCE MAY DISCUSS, OFFER OR SELL THESE SECURITIES.**

#### **INDIANA RESIDENTS**

**THE INDIANA SECURITIES DIVISION HAS NOT IN ANY WAY PASSED UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, THE SECURITIES HEREBY OFFERED, OR PASSED UPON THE ACCURACY OR ADEQUACY OF THE OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

#### **KENTUCKY RESIDENTS**

**THESE SECURITIES ARE ISSUED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION KRS 292.400(9) OF THE KENTUCKY SECURITIES ACT.**

#### **NEW HAMPSHIRE AND WISCONSIN RESIDENTS**

**IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

#### **NEW YORK RESIDENTS**

**THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.**

#### **NORTH CAROLINA AND TENNESSEE RESIDENTS**

**IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.**

#### **OREGON RESIDENTS**

**THESE SECURITIES HAVE BEEN REGISTERED WITH THE DIRECTOR OF THE DEPARTMENT OF CONSUMER AND BUSINESS SERVICES, DIVISION OF FINANCE AND CORPORATE SECURITIES. HOWEVER, THIS FACT DOES NOT IN ANY WAY CONSTITUTE AN ENDORSEMENT OR RECOMMENDATION BY THE DIRECTOR, NOR HAS THE DIRECTOR PASSED UPON THE ACCURACY, ADEQUACY OR VALUES CLAIMED HEREIN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

#### **PENNSYLVANIA RESIDENTS**

**THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE PENNSYLVANIA SECURITIES COMMISSION, NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

#### ***Notice of Right to Withdraw***

Any Investor who accepts an offer to purchase Notes shall have the right for a period of two (2) business days after such Investor receives a copy of this Offering Circular to withdraw from his/her purchase agreement pursuant to Section 207(m) of the Pennsylvania Securities Act of 1972 and receive a full refund of all monies paid, without interest. Such withdrawal shall be without the Investor incurring any further liability to any person. To accomplish this withdrawal, an Investor need only send a telegram or letter, which must be postmarked prior to the end of the second business day to LCEF at the address listed on the cover of the Offering Circular, indicating an intent to withdraw. If an Investor chooses to withdraw by letter, it is prudent to send it by registered mail, return receipt requested, to ensure that the letter is received and to evidence the time of mailing. An Investor making an oral request for withdrawal should ask for written confirmation that the request has been received.

#### **WASHINGTON RESIDENTS**

**ANY PROSPECTIVE PURCHASER IS ENTITLED TO REVIEW FINANCIAL STATEMENTS OF THE ISSUER WHICH SHALL BE FURNISHED UPON REQUEST. RECEIPT OF NOTICE OF EXEMPTION BY THE WASHINGTON ADMINISTRATOR OF SECURITIES DOES NOT SIGNIFY THAT THE ADMINISTRATOR HAS APPROVED OR RECOMMENDED THESE SECURITIES, NOR HAS THE ADMINISTRATOR PASSED UPON THE OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE RETURN OF THE FUNDS OF THE PURCHASER IS DEPENDENT UPON THE FINANCIAL CONDITION OF THE ORGANIZATION.**

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## DEFINITIONS

<b>Term (and abbreviation, if any)</b>	<b>Explanation</b>
Annual Percentage Yield (“APY”).....	This is a method of calculating an interest rate established by the Federal Reserve Board Regulation DD. Although not required, LCEF calculates and discloses this rate for each of its Notes as a convenience to its Investors.
Association of Member Congregations.....	An incorporated association of member congregations of The Lutheran Church—Missouri Synod, which is formed to pursue mutual goals. Examples include high school or elementary school associations and early childhood centers.
Auxiliary Organization .....	A separately incorporated organization, national in scope, voluntary in membership and participation, formally recognized in the Synod’s bylaws, as an official auxiliary to extend its mission and ministry. Each Auxiliary Organization establishes and develops its own objectives, activities, and programs.
Church Extension Activities.....	To provide financing and services for the acquisition of sites, the construction of facilities, the purchase of buildings and equipment; operating expenses; rostered church worker education; the residential housing needs of rostered church workers; promoting strategic ministry planning and assisting in capital campaigns; and other purposes approved by LCEF’s Board consistent with the ministry and mission of the Synod under policies approved by the Synod’s Board of Directors and to provide financing for LCEF’s own operations and for distribution of its operating results to its Member Districts, congregations and corporate Synod, as determined by LCEF’s Board.
Concordia University System (“CUS”) .....	A Missouri corporation formed to further the purposes of the Synod in providing for the education of ministers, teachers, and other rostered church workers and to coordinate the activities of the Synod’s colleges and universities as a unified synodical system.
Corporate Synod .....	The Lutheran Church—Missouri Synod, the Missouri nonprofit corporation, including the program boards, commissions, and all other departments operating under the supervision of the Board of Directors of the Synod. “Corporate Synod” is a term to define that portion of the Synod for which the Synod’s Board of Directors has direct responsibility and is not an agency of the Synod.
Cost of Funds (“COF”).....	The weighted average annual rate of interest, determined by LCEF, based upon the interest and other costs payable on or with respect to its Notes, Support Dollars, and other borrowings (e.g., line of credit agreements) as shall be determined by LCEF pursuant to its procedures as in effect from time to time.
District.....	A corporation established by the Synod to more effectively achieve its objectives and carry on its activities, usually within a defined geographic area.
District CEF .....	An organizational unit of a District that offers and sells investment obligations primarily to provide funding for loans for construction and other related capital improvements to congregations and related organizations within the District.
Existing Congregation .....	Used in the “Lending Activities” section, refers to an LCMS congregation that has previously constructed or purchased its first facility for ministry.
Health Savings Account (“HSA”).....	An IRS-approved Tax-Deferred Plan that may be opened by an individual Investor who has purchased a high-deductible health insurance plan as defined by those laws and regulations governing Health Savings Accounts.
High School Association .....	An Association of Member Congregations formed to administer and support an LCMS high school.
Investors.....	Persons who purchase LCEF Notes who meet the eligibility requirements described on page 2.

<b>Term (and abbreviation, if any)</b>	<b>Explanation</b>
Lutheran Church Extension Fund—Missouri Synod (“LCEF”) .....	A Missouri nonprofit corporation established to further the Church Extension Activities of the Synod on a national basis. See page 11 for a further description.
Lutheran Church—Missouri Synod (“LCMS”) or (“Synod”) .....	A national religious denomination that functions through its affiliated corporations in support of its member congregations. See page 11 for a further explanation.
Member District .....	A District that has transferred its Church Extension Activities to LCEF.
New Start Congregation.....	Used in the “Lending Activities” section, refers to an LCMS congregation that has not constructed or purchased its first facility for ministry.
Nonmember District .....	A District that has not transferred its Church Extension Activities to LCEF.
Notes .....	Demand or term investment obligations (certificates, stamps and notes) issued by LCEF as described in “Description of Notes” on page 28.
Person.....	An individual, a corporation, a limited liability company, a partnership, an association, a joint-stock company, a trust, an unincorporated organization, or other legal entity.
Plan of Consolidation (“Plan”) .....	A Plan adopted by LCEF’s Board of Directors that provides for the consolidation of District CEFs with LCEF. This consolidation includes the transfer of each designated District CEF’s assets and liabilities to LCEF.
Recognized Service Organization (“RSO”).....	A separately incorporated service organization (other than an Auxiliary Organization) formally recognized by the Synod that extends the mission and ministry of the Synod, but which is not part of the Synod’s constitutional structure. Each RSO establishes and develops its own objectives, activities and programs.
Rostered Church Workers (“RCWs”) .....	Ordained and Commissioned Ministers of the Synod.
Support Dollars .....	Demand and term obligations issued by LCEF and held by Synodical Corporations.
Synod CEF .....	A former department of the Synod, which performed Church Extension Activities on a national basis prior to the formation of LCEF.
Synodical Corporations .....	A number of separately incorporated entities affiliated with The Lutheran Church—Missouri Synod including LCMS Districts, LCEF, Concordia University System, colleges, universities and seminaries, a publishing house, the archives, The Lutheran Church—Missouri Synod Foundation, and the corporation, The Lutheran Church—Missouri Synod.
Tax-Deferred Plan.....	Any IRS-approved arrangement by which the Investor may lawfully defer or not pay federal income taxes on the earnings of an investment. Examples include IRAs, HSAs and any other IRS-qualified savings plan that allows individual participants to select their own investment vehicle.
Weighted Average Interest Rates .....	This is a method of calculating average interest rates whereby each rate used is weighted or emphasized in direct proportion to its corresponding principal balance.

## SUMMARY OF OFFERING

This summary is being provided for the convenience of potential Investors and contains selected information. It does not contain all the information a Person should consider before investing. Therefore, this should be read in conjunction with the more complete information in the Offering Circular, including the audited financial statements.

### Operational Summary

1. LCEF is a Missouri nonprofit corporation and is an organization described in Section 501(c)(3) of the Internal Revenue Code, as amended. LCEF is an incorporated part of The Lutheran Church—Missouri Synod (“Synod”), and the continuation of the Synod Department of Church Extension that began in 1902 responsible for carrying out the Church Extension Activities of the Synod on a national basis.
2. LCEF offers and sells its Notes to eligible Investors to make funds available for loans that are primarily made to various LCMS ministries for the construction and purchase of buildings and equipment and to rostered church workers for debt consolidation and residential housing.
3. Notes offered through this Offering Circular bear either fixed or floating interest rates and are either payable on demand or have maturities ranging from thirty (30) days to twenty (20) years. Interest payable on such Notes is taxable to the Investor (other than for Tax-Deferred Plans) in the year in which paid or credited to the Investor’s account. As more fully described in the “Description of Notes,” upon the expiration of the Note’s term, Investors may provide for any fixed- or floating-rate term note to be extended for a term equal to the original term at the then current interest rate.
4. Notes issued by LCEF are unsecured and are not SIPC- or FDIC-insured bank deposit accounts, and Investors will be dependent upon the general financial condition of LCEF for repayment of principal and interest.
5. LCEF has a substantial portion of its loans outstanding to congregations and other LCMS member-based organizations. The ability of each such borrower to repay its loan will generally depend on the amount of contributions it receives from its members. The number of members of each such organization and the per capita contribution has fluctuated in the past and will continue to fluctuate. The collateral value of such loans generally consists of properties used for church, charitable, or educational purposes and may not have a market value equal to the loan amounts.
6. LCEF maintains investment portfolios until funds are disbursed for new loans and to provide resources for operations and for Notes and Support Dollar payments. LCEF’s assets invested in readily marketable securities are subject to various market risks. The value of the investments is based on quoted market prices, and investment losses will result from a drop in market prices.

### Financial Summary

1. Information about LCEF’s Notes and Support Dollars Payable is presented in detail on page 14. The amounts payable as of June 30, 2008, are as follows:

	<b>(Dollars In Thousands)</b>		
	<b><u>Demand</u></b>	<b><u>Term</u></b>	<b><u>Total</u></b>
Notes Payable.....	\$348,269	\$1,056,123	\$1,404,392
Support Dollars Payable.....	28,324	138,895	167,219
Total	<u>\$376,593</u>	<u>\$1,195,018</u>	<u>\$1,571,611</u>

2. Information about LCEF’s Note sales exclusive of demand notes in terms of LCEF’s Receipts (sales), Redemptions, and Principal Payments on loans receivable is presented in detail on page 15. The amounts of the receipts and redemptions of the Notes payable exclusive of demand notes and principal repayments received on the loans receivable for the fiscal year ended June 30, 2008, are reported in the table below. Generally, redemption activity from LCEF’s demand notes has historically been funded from sales of these same instruments. See the “Statements of Cash Flows” on page 44 for the gross amount of sales and redemptions of Notes and Support Dollars Payable.

	<b>(Dollars In Thousands)</b>
Receipts.....	\$226,019
Redemptions .....	123,274
Principal Payments .....	128,700

**Financial Summary (cont.)**

3. Information about LCEF's Outstanding Loans Receivable is presented in detail on page 16. Generally, LCEF loans are secured by mortgages on the properties of the borrowers. With regard to loans outstanding to Concordia University System, universities and seminaries, the Synod provides an unsecured guarantee for \$36,441,000 of the total \$53,024,000. The amounts of Outstanding Loans Receivable that are secured or guaranteed versus those that are not by LCEF's primary types of borrowers as of June 30, 2008, are as follows:

**(Dollars In Thousands)**

Type of Borrower	<u>Guaranteed or Secured</u>	<u>Not Guaranteed or Secured</u>	<u>Total</u>
Congregations .....	\$1,073,821	\$19,155	\$1,092,976
Concordia University System, Universities and Seminaries	53,024	2,340	55,364
High School Associations .....	86,041	79	86,120
LCMS Districts, Foundation and Synod.....	15,819	27,231	43,050
Rostered Church Workers.....	115,387	7,201	122,588
Recognized Service and Auxiliary Organizations.....	60,825	2,243	63,068
Other .....	556	486	1,042
<b>Total</b>	<b><u>\$1,405,473</u></b>	<b><u>\$58,735</u></b>	<b><u>\$1,464,208</u></b>

4. LCEF will use the proceeds from the sale of its Notes primarily to carry on Church Extension Activities within the Synod. Additional information about LCEF's Use of Proceeds is presented on page 13.

Information about certain LCEF selected financial data for the most recent five fiscal years is presented on page 23. For the most recent fiscal year ended June 30, 2008, the financial data is as follows:

**(Dollars In Thousands)**

Cash, Cash Equivalents and Investments	Loans Receivable	Not Guaranteed or Secured Loans Receivable		Percentage of Loan Delinquencies in Excess of 90 days	Total Assets	Total Notes Payable	Redeemed Notes Payable Exclusive of Demand Notes	Support Dollars Payable	Total Net Assets	Change in Net Assets
		Amount	Percent							
\$358,489	\$1,464,208	\$58,735	4.0%	2.7%	\$1,833,020	\$1,404,392	\$123,274	\$167,219	\$174,236	\$30



## RISK FACTORS

1. *Unsecured Nonnegotiable Notes.* The Notes will be unsecured obligations of LCEF and are not SIPC- or FDIC-insured bank deposit accounts, and Investors will be wholly dependent upon the general financial condition of LCEF for repayment of principal and interest. No sinking fund or trust indenture has been or will be established. Currently, LCEF does not have secured Investor obligations. No public market exists for the Notes, and none will develop. The Notes are nonnegotiable and may be assigned only by LCEF's written consent. However, LCEF reserves the right to issue secured Investor obligations in the future and periodically to draw upon a line of credit secured by a first lien on its assets. See "Lines of Credit" on page 25.

2. *Note Redemption.* Interest and principal payments on all of LCEF's Notes are made primarily from the amounts received from the principal and interest payments on its outstanding loans. Past experience has been that a substantial percentage of Notes has been renewed or reinvested in other Notes. If future repayment demands exceed the historical average, LCEF may have to rely on other sources of funds. The need to utilize such alternative funds to meet principal payments on outstanding Notes payable over an extended period could affect LCEF's financial condition.

3. *Interest Rate Decrease.* Upon maturity of a Note, if the Investor does not elect to redeem the Note, the Note generally will be renewed automatically upon the interest terms set out in a notice provided by LCEF. If LCEF's offered interest rates have declined from the date of the original Note through the maturity date, an Investor will receive a lesser interest rate return on the renewed Note.

4. *Charitable Deduction/Taxable Interest.* The purchase of a Note will not entitle the Investor to a charitable deduction for federal or state income tax purposes. Interest paid or payable on the Notes will be taxable as ordinary income to an Investor, regardless of whether the interest is paid out or retained and compounded. See "Tax Aspects" on page 33.

5. *Changes in Laws.* Changes in the laws of the various states in which LCEF offers its Notes may make it more difficult or costly for LCEF to offer and sell such Notes in the future. LCEF does not believe that the continued sale of its Notes will be necessary to service its Notes. However, a decrease in the sales of its Notes could affect LCEF's ability to meet such obligations if it did become necessary to rely on these sales.

6. *Unique Borrowers.* The relationship of LCEF to its borrowers cannot be compared to that of a normal commercial lender. Because of the unique relationship to its borrowers, LCEF's loan eligibility and approval criteria may be more flexible than might be applied by a typical lending institution. In view of its relationship to its borrowers, LCEF also may be willing to accept partial, deferred, or late payments as well as extend the original terms of the loans.

7. *Increase in Redemption of Member Districts Notes.* It is now contemplated that Investor payables of any new Member District that are assumed by LCEF in a consolidation will not be eligible for renewal at maturity. If a large number of these obligations are called or redeemed in a short time, this could reduce LCEF's liquid assets.

8. *Member District Loans.* Certain outstanding loans receivable transferred to LCEF by Member Districts in a consolidation may have been made to some borrowers on a subsidy or upon terms different from those required by LCEF. LCEF may be assuming a greater risk of nonpayment for these loans. In the event LCEF encounters difficulty in obtaining repayment upon any transferred loans, it may experience a reduction in operating income.

9. *Consolidation of Nonmember Districts.* A consolidation of the Church Extension Activities presently carried out by some or all Nonmember Districts could have a material impact upon LCEF's present financial condition. Examples of such impact could include changes in LCEF's liquidity and cash flow. The ultimate financial impact of the Plan cannot now be determined because it depends upon a number of factors. Such factors include the number of Districts that will elect to become members, the financial condition of those District CEFs, and the terms of their respective entry agreements.

10. *Loan Repayments.* LCEF has a substantial portion of its loan portfolio outstanding to congregations and Associations of Member Congregations. The ability of each borrowing congregation or Association to repay its loan will generally depend upon the amount of contributions it receives from its members. Accordingly, a primary factor in LCEF's loan approval process is the history of contributions to the borrowing entity. The number of members of each congregation and the per capita contribution has fluctuated in the past and will continue to fluctuate. To the extent that a congregation or Association granted a loan experiences a decrease in revenues, payments on that loan may be affected adversely. A secondary factor in loan approvals is the value of the collateral security for the loan, it being understood that while loans are generally secured by first mortgages on the borrowers' properties, such properties are improved for church, charitable or educational uses and may or may not have a market value equal to the amounts loaned. At June 30, 2008, loans to congregations and High School Associations totaled \$1,179,096,000 representing 80.5% of total outstanding loans receivable. For material loans to a single borrower in this category, refer to "Material Loans" on page 19.

11. *RCW Loans.* RCW loans are made for residential housing needs or debt consolidation. As of June 30, 2008, the amount of these loans totaled \$122,588,000, representing 8.4% of total outstanding loans receivable. Debt consolidation loans are unsecured and are dependent on the financial condition of the RCW for repayment. Residential housing loans are secured by real

estate and at June 30, 2008, totaled \$114,563,000, representing 93.5% of total RCW loans. If the loans secured by real estate are made on high loan-to-value ratios and/or housing prices decline, in the event of foreclosure, the real estate securing the loans may not be sold in amounts sufficient to cover the loan balances.

12. *Concordia University System, Seminaries and Colleges.* The Synod subsidizes Concordia University System and the operations of its seminaries. The Synod also guarantees approximately 66% of LCEF's loans to Concordia University System and to colleges and universities. Therefore, repayment of these amounts is dependent upon the financial condition of each institution and the Synod. In the past years, the Synod has borrowed funds, including from LCEF, to assist Concordia University System and its universities in meeting their debt obligations. The Synod and Concordia University System have identified cash flows to service the outstanding debt to LCEF. However, deficiencies in these future cash flows may require the Synod to borrow funds to assist these institutions in making timely repayment to LCEF. At June 30, 2008, loans to Concordia University System, its universities, and seminaries totaled \$55,364,000, representing 3.8% of total outstanding loans receivable. For material loans to a single borrower in this category, refer to "Material Loans" on page 19. In addition, LCEF has entered into guarantee agreements on behalf of three CUS universities with maximum undiscounted payments totaling \$35,745,000, as of June 30, 2008. For more information, refer to "Guarantees" on page 20.

13. *Guarantees.* LCEF has guaranteed in various forms the indebtedness of certain universities of The Lutheran Church—Missouri Synod and High School Associations. LCEF accounts for these guarantees as off-balance sheet transactions. Such guarantees as of June 30, 2008, are described in Note J of the "Notes to Financial Statements" on page 50. The borrowing institutions are required to repay the principal and interest to the outstanding creditors, primarily banks providing letters of credit to the tax-exempt bondholders. The ability of these institutions to repay depends on their managements' capability to effectively and efficiently manage their operations. To the extent that one or more of these institutions are not able to make its debt service payments when due per the terms of its guarantees, LCEF will be required to pay the credit banks to meet these obligations. The maximum undiscounted payments of these outstanding guarantees as of June 30, 2008, totaled \$68,218,000, consisting of \$35,745,000 for three CUS universities and \$32,473,000 for four High School Associations. For additional information, including information relating to the security for the repayment of these obligations, refer to "Guarantees" on page 20.

14. *Tax-Exempt Borrowing.* LCEF borrows the proceeds of tax-exempt Bonds issued by state funding authorities and reloans the proceeds to eligible entities such as elementary and secondary schools, and organizations providing social services ("Participating Institutions") to fund or refinance qualifying capital projects. LCEF is required to pay the principal, interest, and fees associated with the borrowing and the Participating Institutions are required to repay to LCEF the principal, interest, and fees under the terms of their loan agreements with LCEF. The ability of these institutions to repay depends on their managements' capability to effectively and efficiently manage their operations. If the Participating Institutions are unable to meet their scheduled debt service requirements, LCEF will be required to continue to make its repayments to the bondholders. As of June 30, 2008, LCEF has outstanding tax-exempt borrowings totaling \$82,755,000. For additional information, including information relating to the security for the repayment of these obligations, refer to "Access to Tax-exempt Funding Sources" on Page 20.

15. *District Loans.* A portion of the loans are to congregations subsidized by the Districts. Therefore, LCEF is dependent on the financial condition of the Districts for repayment of loans to subsidized congregations and loans to Districts. At June 30, 2008, 63.3% of the loans to Districts were unsecured and totaled \$43,050,000, representing 2.9% of total outstanding loans receivable. For material loans to a single borrower in this category, refer to "Material Loans" on page 19.

16. *RSO Loans.* A portion of the loans are to RSOs in which the ability to repay depends on their managements' capability to effectively and efficiently manage their operations. In addition, certain of these RSOs may be dependent on various governmental agencies for a portion of their revenue. To the extent such funding is reduced, payments on loans may be adversely affected. At June 30, 2008, loans to RSOs totaled \$63,068,000 representing 4.3% of total outstanding loans receivable. For material loans to a single borrower in this category, refer to "Material Loans" on page 19.

17. *Variable Interest Rate Notes.* The interest rate may be changed on the first day of each month on all Notes issued with variable interest rates. LCEF reserves the right upon 30 days' written notice without the need to issue a supplement to the Offering Circular to change the method of calculating the interest rate on all such Notes having a variable interest rate.

18. *Prematurity Redemptions.* LCEF is not required to redeem any Note prior to its maturity. However, as a matter of policy and practice, it has redeemed Notes at the request of Investors upon a showing of need. LCEF anticipates that it will continue to do so, although there can be no assurance that it will continue this practice. When LCEF agrees to redeem a Note, interest penalties may apply as described on pages 29 and 32.

19. *Market Risk.* LCEF's assets invested in readily marketable securities are subject to various market risks. The value of the investments is based on a quoted market price, and investment losses will result from a drop in market values.

## HISTORY

### Introduction

LCEF was formed to finance the acquisition of sites and the building of facilities, which expand programs of ministry, witness, outreach, and service of The Lutheran Church—Missouri Synod.

### The Lutheran Church—Missouri Synod

Founded in 1847, The Lutheran Church—Missouri Synod (“Synod”) consists of 6,155 member congregations that have joined together to carry out their commonly adopted objectives. The Synod, by baptized membership, is the 14th largest Protestant denomination and the second largest Lutheran denomination in the United States. It is served by 9,024 clergy and 26,472 educators.

The Synod functions through a number of separately incorporated Synodical Corporations to support the member congregations in local ministries. For this purpose, the Synod has authorized the formation of 35 districts as separate legal entities. It also has formed, as separate not-for-profit corporations, 12 educational institutions (Concordia University System, Inc.), a publishing house, a foundation, church extension programs and its archives.

The Synod does not consolidate the financial information of these separate corporations into its financial statements. At June 30, 2008, the total assets and net assets of Corporate Synod, over which the Synod Board of Directors has direct responsibility and control, amounted to \$73,261,000 and \$51,351,000, respectively.

Throughout the history of the Synod, an active and growing mission program has been one of its principal purposes. As the congregations of the Synod became involved in mission expansion, financial resources were necessary to permit acquisition of sites and construction of church facilities. To meet this need, the Synod established a Board for Church Extension that was responsible for both conducting Church Extension Activities on behalf of the Synod through the operation of the Synod CEF and establishing policies for, reviewing the operations of, and providing assistance and support to Districts undertaking their own Church Extension Activities.

### Lutheran Church Extension Fund—Missouri Synod

LCEF was incorporated on June 15, 1978, as a Missouri nonprofit corporation. It is the incorporated continuation of the Synod CEF that began in 1902 and was transferred to LCEF. LCEF is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and is exempt from federal income tax on its related exempt activities under code Section 501(a). LCEF is specifically included in the group exemption ruling issued by the Internal Revenue Service to LCMS.

In the past, each District had operated its own CEF, and together with the Synod CEF, they collectively met the Church Extension needs of the Synod. As of June 30, 2008, 28 of the 35 Districts have consolidated their Church Extension Activities with LCEF in accordance with the Plan. Each of these Member Districts has a designated representative who is an LCEF Vice President who in turn is responsible for coordinating LCEF activities within his or her District. This includes the approval for certain congregations, groups, and projects to receive loans. This activity also consists of arranging for LCEF to provide a current Offering Circular and other information to persons interested in acquiring Notes issued by LCEF.

## OPERATIONS

### The Offering

LCEF anticipates that it will issue up to \$1,500,000,000 of its Notes throughout the 50 states and the District of Columbia during the 12-month period ending September 30, 2009. The Notes will not be specifically secured by particular loans to specific borrowing entities or by any other LCEF assets. The maximum amount that may be sold in the District of Columbia and each state other than Georgia, Michigan, and Pennsylvania is \$75,000,000. The maximum amount that may be sold in Georgia is \$8,000,000, and the maximum amount that may be sold in the states of Michigan and Pennsylvania is \$15,000,000 per state.

### Organization

As a Synodical Corporation, LCEF is subject to the constitution and bylaws of the Synod and is governed by LCEF’s articles of incorporation and bylaws. See “Management” on page 34 for more information.

## **Principal Activities**

### ***Introduction***

LCEF's primary purpose is to make funds available for Church Extension Activities and to provide services in support of these activities to aid in the expansion of ministry, witness, and outreach of the LCMS. Currently, these Church Extension Activities include providing financing and services for operations, the acquisition of sites, the construction of facilities, the purchase of buildings and equipment, and the residential housing and debt consolidation needs of Rostered Church Workers. LCEF's General Loan Fund as described in Note B of the "Notes to Financial Statements" on page 45 accounts for the general operations of LCEF. LCEF makes loans from its General Loan Fund to congregations, Associations of Member Congregations, RSOs, CUS, other Synodical Corporations and Auxiliary Organizations. In addition to these general loans, LCEF makes loans and provides services in the specialized areas described below:

### ***Specialized Ministry Loans***

These loans are made for certain ministries to promote outreach to those with limited income at an interest rate equal to LCEF's Cost of Funds. A separate fund has been designated to provide this type of loan. At June 30, 2008, these loans amounted to \$9,207,898 of which 100% were secured.

### ***George Sears Housing Ministry Loans***

Through loans to eligible borrowers, this loan plan provides community-based organizations a source of low-interest financing for new and existing low-income housing projects. There were no loans outstanding at June 30, 2008, however, LCEF does anticipate making additional loans of this type in the future. The source of funding is a \$200,000 transfer from the Specialized Ministry Loan Fund and a \$1,878,000 transfer from the Synod.

### ***Rostered Church Worker Loans***

These loans are made to RCWs for their residential housing and debt consolidation needs. A separate fund was established to provide these types of loans. At June 30, 2008, these loans amounted to \$122,588,000 of which 94.1% were secured.

### ***Arthur C. Haake World Ministry Fund***

The purpose of this fund is to assist foreign partner Lutheran churches and ministries with short- and long-term loans for urgent ministry needs or opportunities. The initial funding was provided by the memorial gifts donated to LCEF in memory of LCEF's previous president, Mr. Art Haake, and a \$7,500,000 loan from the General Loan Fund. Additional funding comes from Investors who on the purchase application, or by some other means acceptable to LCEF, designate all or a portion of their investment earnings to be donated to this fund. Partner churches and ministries request loans from the fund through the Synod's Board for Mission Services. LCEF approves the loans and disburses the funds. The interest rate is based upon the partner church's ability to pay, ranging from zero percent (0%) to the applicable LCEF rate. At June 30, 2008, these loans amounted to \$6,520,113.

### ***Advance Site Fund***

#### ***Advance Site Fund***

The Advance Site Program provides resources for the purchase of unimproved property that will be used for the construction of LCMS congregations. LCEF has acquired advance sites which are generally held for resale to a District or LCMS congregation. At June 30, 2008, LCEF had seven sites with a book value of \$518,000, representing the lower of cost or fair value less costs to sell.

The Advance Site Fund also provides loans to ministries to support the planting of new missions utilizing a real estate development strategy. The goal of this strategy is to defray the cost of the new mission site by applying gains from the sale of excess land purchased and developed. The entity establishing the new mission utilizes consultants to identify an appropriate parcel of land, larger than needed for the ministry and to assist with the entitlement/platting process, the master plan for the ministry site and the sale of the excess land. The land is typically sold to developers for residential or commercial purposes, after obtaining entitlements, with the gains on the sale of the excess property utilized to reduce the cost of the new mission site.

Real estate development loans are made for 100% of the land value and site development soft costs with provision for capitalizing the real estate taxes and accruing the interest during the development period, which is expected to last three years or less. Repayment of real estate development loans is primarily dependent upon the proceeds received from the sale of the property.

LCEF limits the amount of real estate development loans to an aggregate limit of \$50 million and annually limits the amount of loans for this type of activity to 7.5% of its total loans approved. As of June 30, 2008, the aggregate amount of these real estate development loans totaled \$41,706,349 with \$2,000,000 from the Mission Site Loan Program at one percent. The remaining loans of \$39,706,349 at 6.04% were originally made from the General Loan Fund and transferred to the Advance Site Fund during fiscal year 2008. Loans totaling \$9,673,453 were made to Church Development Partners, an RSO of the LCMS whose mission is to assist ministries with this land development strategy. LCEF limits the amount of outstanding loans to any RSO to fifteen percent of the General Loan Fund net assets, which currently is \$21,118,000.

Due to the downturn in the real estate market during 2008, the value of the real estate securing these loans declined in value. As a result, seven of the real estate development loans in the amount of \$29,932,175 are considered impaired. As of June 30, 2008, LCEF has reserved an amount sufficient to revalue these loans to the estimated market value of the land securing these loans less the costs of disposition and discontinued the accrual of interest on these loans. As of June 30, 2008, LCEF has provided \$5,430,197 in principal reserves and reversed \$3,052,555 of interest income associated with these loans. A portion of the real estate development loan portfolio totaling \$9,673,000 as of June 30, 2008, is due from Church Development Partners (CDP), a recognized service organization whose mission is to assist ministries with real estate decisions. As of June 30, 2008, LCEF also has a \$2,114,000 line of credit outstanding to CDP to fund its operations. LCEF has fully reserved this line of credit and its related interest accrual.

#### *Mission Site Loan Program*

During the fiscal year ended June 30, 2005, LCEF established the Mission Site Loan Program within the Advance Site Fund. LCEF has allocated up to \$11 million in loan funds at a one percent interest rate to support new mission starts utilizing a real estate development strategy. Each eligible borrower may apply for a Mission Site loan up to \$1 million at one percent for up to five years. Loans are made directly to a new or an existing LCMS organization.

Any funds not currently utilized for site development loans are available to be lent to the Mission Planting Program to support new mission development at a rate of one percent. It is LCEF's intent to disband the Mission Site Program at the end of the five-year period ending on June 30, 2010. All loans initially disbursed at the one percent rate will remain in place until the expiration of their terms.

#### *Mission Planting Program*

In partnership with the LCMS World Mission, LCEF established the Mission Planting Program on July 1, 2007, to provide low cost loans for planting new missions and to provide grants to support revitalization of existing ministries. This fund will derive its source of capital from restricted donations from individuals and entities desiring to support the planting of new missions. In addition, LCEF agreed to allocate a portion of its operating results equal to ten percent of the amount distributed on an annual basis for a period up to five years, or until the fund grows to \$15 million in assets. Funds may also be made available through loans from the Mission Site Fund at one percent.

Loans will be underwritten by LCEF with final approval and prioritization coordinated with the Board for Mission Services. Loans up to \$1 million per eligible borrower will be granted at a rate equal to LCEF's Cost of Funds, adjusted annually, with the opportunity to accrue interest for a period of three years. The loans will be collateralized with the property of the sponsoring ministry. At the end of the three years, the loan must be repaid or consolidated into a new capital loan under the prevailing interest rate and terms. Additional funding for this type of activity is available through LCEF's General Loan Fund at prevailing rates of interest.

Grants for revitalization of existing ministries may be made available from the net earnings of this fund after receiving approval from the Board for Mission Services.

In the event this funding activity is terminated, LCEF will transfer the net assets of this fund to the Board for Mission Services of the LCMS.

#### *Services*

LCEF provides a number of ministry services to its borrowers, CEF Districts and other Synod-related entities in support of Church Extension Activities. The Capital Funding Services ("CFS") ministry provides fund-raising services, and the Laborers For Christ program provides a low-cost building option. Other available services include demographic studies and their interpretation; Strategic Ministry Planning; Gift Planning Services; and architectural, real estate and building consultation.

### **USE OF PROCEEDS**

LCEF will use the proceeds from the sale of its Notes primarily to carry on Church Extension Activities within the Synod. LCEF also uses a portion of the proceeds to provide an amount of cash and investments to fund operating expenses and loan disbursements for the next twelve (12) months and to provide financial resources in the event higher than historical demand for redemption of investor payables occurs. See "Liquidity" on page 25. Loans are made to congregations, Associations of Member Congregations, RSOs, CUS, and other Synodical Corporations, Auxiliary Organizations of the Synod, and to Rostered Church Workers.

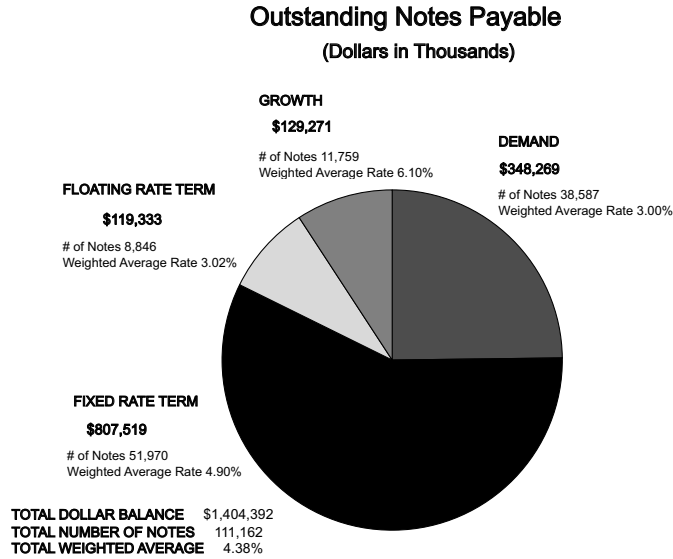
Funds not immediately used by LCEF for loans or operating expenses may be invested in short-, intermediate- and long-term interest-bearing obligations and equity investments. Upon approval of LCEF management, a distribution of prior year's earnings may be paid in the following year as grants to Member Districts for church extension-related activities.

LCEF does not anticipate that it will require the proceeds of this offering to meet interest or principal payments on the outstanding term Notes and term Support Dollar Notes payables. However, if payments from LCEF's loan receivables are less than anticipated, it may be necessary to use a portion of the proceeds to meet these requirements. In addition, LCEF does not anticipate that it will require the proceeds of this offering to make payments, if required, on any of its guarantees to third parties. However, if such payments cannot be made from net cash provided by operating activities, it may be necessary to use a portion of the proceeds.

## FINANCING AND OPERATIONAL ACTIVITIES

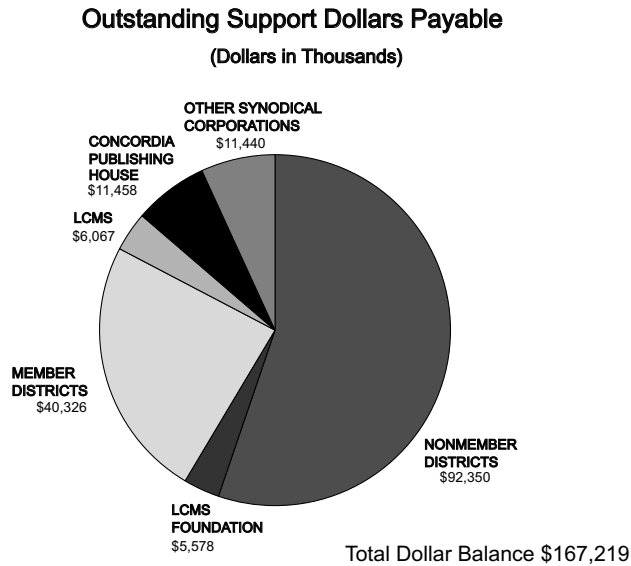
### Outstanding Notes Payable

LCEF's primary means of generating funds for Church Extension Activities is through the sale of its Notes. The following pie chart sets forth for each class of Note grouping its principal balance in thousands of dollars, number of Notes outstanding, and Weighted Average Interest Rates at June 30, 2008:



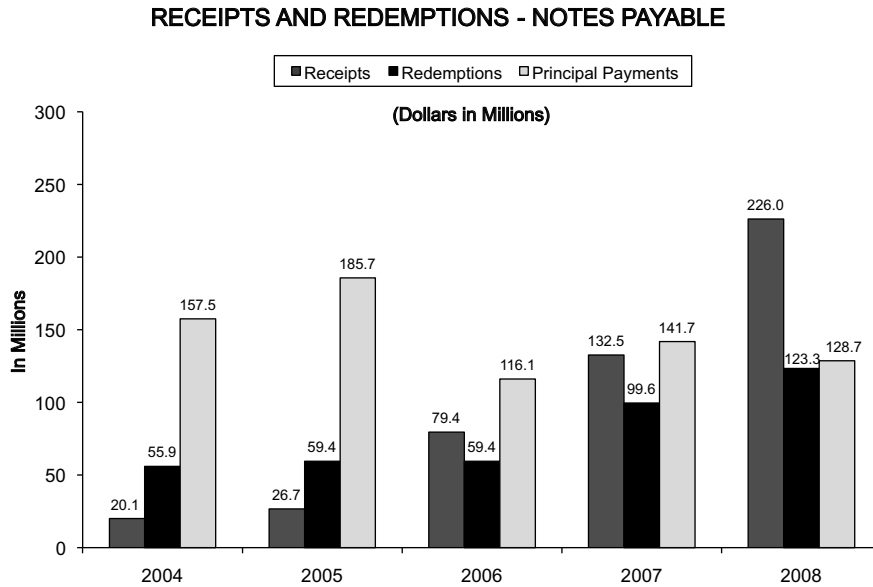
### Outstanding Support Dollars Payable

Additionally, LCEF maintains account balances for Synodical Corporations, which are entitled Support Dollars. These Support Dollars are held on either a demand or term basis, and the Weighted Average Interest Rate payable on the total was 3.90% as of June 30, 2008. The following pie chart describes in thousands of dollars how much was held by each type of Synodical Corporation as of June 30, 2008:



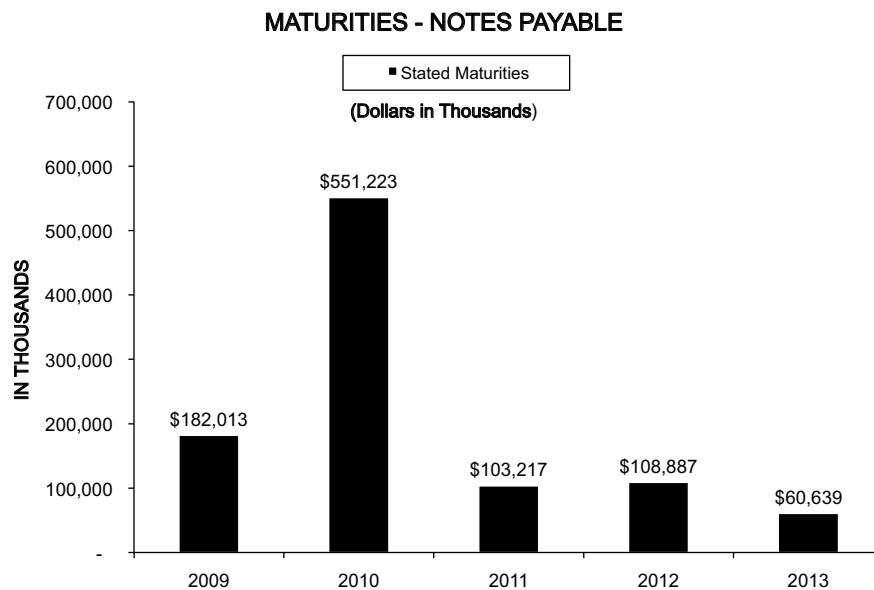
**Receipts and Redemptions—Notes Payable**

The following bar graph provides a history, exclusive of demand Notes, of receipts (sales) and redemptions of Notes payable for the most recent five fiscal years. Also included for each fiscal year are the principal payment amounts received on the Loans receivable, which historically have been the primary source of funding redemptions of term Notes. The primary reason for the increase in receipts for the fiscal year ended June 30, 2008, was the additional investments received from new and existing Investors in 2 year term notes. The note was offered at a rate of 6% to encourage the additional investments needed to meet the increased demand in loans to congregations and other eligible borrowers.



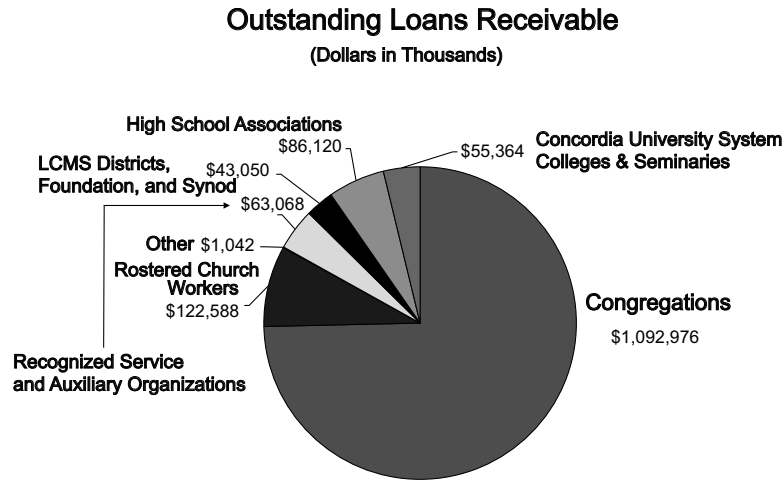
**Maturities—Notes Payable**

The following graph displays for the next five (5) fiscal years, exclusive of demand, the stated maturities of Notes payable at June 30, 2008. LCEF anticipates that the actual cash redemptions from these maturities will be close to its five-year average historical experience, which is 33.2%. If so, LCEF believes that it will be able to pay these redemptions primarily from repayments of loan principal expected to be received for the same periods. However, past experience does not predict future performance. See “Risk Factor 2” on page 9. The graph below does not take into account maturities of Notes issued after June 30, 2008.

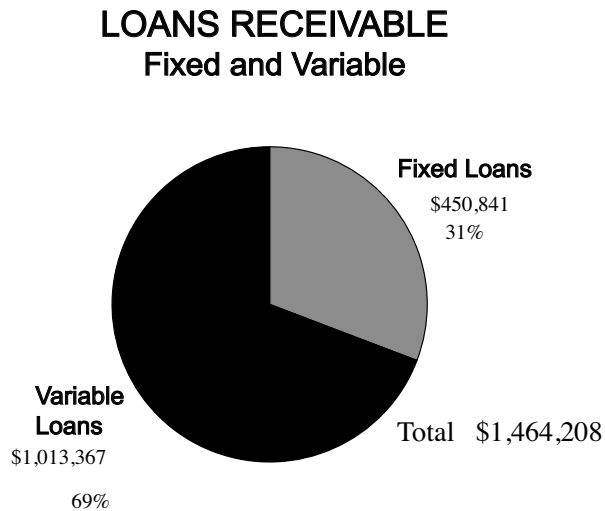


**Outstanding Loans Receivable**

The Weighted Average Interest Rate on LCEF’s loan portfolio as of June 30, 2008, exclusive of Specialized Ministry, George Sears Ministry and Art Haake World Ministry loans was 5.86%. The amount of LCEF’s total loans receivable as of June 30, 2008, was \$1,464,208,000, and the primary types of borrowers and their respective balances in thousands of dollars are presented in the following pie chart:



LCEF’s loan portfolio consists of loans that are written on interest rate terms that are either variable or fixed. Most are variable rate loans that adjust monthly, quarterly, or annually. The remaining loans are written on a fixed-rate basis primarily for terms of five or ten years. The amount of LCEF loans that are written on a variable versus a fixed rate of interest as of June 30, 2008, are presented in the following pie chart:





## LENDING ACTIVITIES

### Introduction

Loans are made to congregations, Associations of Member Congregations, RSOs, CUS, other Synodical Corporations, Auxiliary Organizations of the Synod (“Organizational Borrowers”), and to Rostered Church Workers. Loans to Organizational Borrowers are made to provide the financing for operations, real estate acquisition, construction, renovation and relocation. Such loans also may include financing new ministry opportunities by providing lines of credit and short-term loans for project start-up and soft-cost expenses. LCEF also may provide Organizational Borrowers a portion of the loan amount in participation with other lenders. Loans made to Rostered Church Workers are for their debt consolidation and residential housing needs. LCEF also assists eligible borrowers in obtaining access to tax-exempt funding sources for qualified capital projects. For a description of these activities, refer to “Access to Tax-Exempt Funding Sources” on page 20.

### Underwriting

#### *Organizational Borrowers*

In determining eligibility for loans, LCEF considers a borrower’s outstanding indebtedness, prior and projected financial performance, and comparison of anticipated revenues to debt repayment requirements. Currently, LCEF reviews the following factors of congregations that apply for loans: (i) debt per communicant, (ii) debt per average worship attendee, (iii) percent of total income to be used for debt service, (iv) total debt capacity, and (v) percent of total project cost to be raised by contributions in a three-year period. In addition, LCEF reviews the following guidelines of High School Associations that apply for loans: (i) percent of income generated by tuition and congregation support, (ii) percent of debt to property value, (iii) debt per student, (iv) percentage of guaranteed income allocated for debt service, and (v) percentage of total project cost available in a segregated building fund.

Loans made to congregations, Associations of Member Congregations, RSOs, and Auxiliary Organizations of the Synod generally require a first lien on the property of the borrower, title insurance, real estate surveys, appropriate resolutions of the borrowers, and fire and extended coverage insurance. Loans made to Synodical Corporations are made under one of three different terms. First, loans made to those Synodical Corporations that are colleges, universities, and seminaries are written on the above-described terms. Second, loans made to the Synodical Corporation known as CUS are unsecured and are made under the terms of a letter agreement. Third, loans made to Synodical Corporations other than CUS, colleges, universities and seminaries are unsecured and made under the terms of a letter agreement that provides for repayment and the ability to obtain a security interest on the property of the borrower. In certain events of default, LCEF’s mortgage security interest in the assets of certain organizations that have borrowed from LCEF the proceeds of tax-exempt bonds issued by the Missouri Health and Education Facilities Authority (“MOHEFA”) and the Colorado Educational and Cultural Facilities Authority (“CEFCA”) are subordinate to the credit bank’s mortgage securing the letter of credit reimbursement agreement supporting the bonds as more fully described on page 20.

Eligible borrowers may obtain loans for the purpose of helping mission congregations acquire property at a reduced cost either from LCEF’s Advance Site Fund or from the Mission Planting Program or Mission Site Loan Program. The borrower purchases real estate, determines the portion to be used for its ministry needs, may or may not obtain entitlements, and resells the balance of the property to developers. Any realized gains are utilized to reduce the cost of the land used for the mission site. LCEF will fund the program from its net equity and will limit it to an insubstantial portion of its total loans. Presently, LCEF limits the aggregate of such loans to \$50 million and annually limits the amount of loans approved for this type of activity to 7.5% of its total loans approved.

#### *Rostered Church Workers*

In determining eligibility for loans to Rostered Church Workers, LCEF considerations include the borrowers’ income, outstanding indebtedness, average credit bureau score, and past credit history. In certain situations, borrowers may be required to receive instructional sessions on credit counseling and budgeting. Debt consolidation loans are unsecured. Residential loans are made on either a first mortgage or home equity basis. First mortgage loans require a first lien, while home equity loans require a first or secondary lien on the borrower’s property. In addition, both of these residential loans require title insurance or title guarantee, and extended homeowner’s insurance.

### Rebates

LCEF has an incentive plan by which interest on loans to Organizational Borrowers may be rebated. The plan is based on the amount of borrower-designated Notes purchased by a borrower’s members and other Investors as compared to the principal amount of the loan. For loans made through December 31, 1999, rebates of ½%, ¾%, and 1% of the outstanding principal loan balance will be made for investment support of 50%, 75%, and 100%, respectively. Currently, for new loans approved on or after January 1, 2000, no rebates will be available. The terms and availability of the rebate program have been established and may be changed by LCEF management.

## Terms of New Loans

### Organizational Borrowers

Currently, the loans are written at a fixed or an adjustable interest rate based on LCEF's Cost of Funds. The rate of interest actually charged on a particular loan will be based on LCEF's Cost of Funds plus up to 3%, depending on the type of loan. All new loans of less than \$2,000,000, will be written on either a 5-year or 10-year fixed rate or at an interest rate that will adjust quarterly or annually. All new loans of \$2,000,000 or more will be written on either a 5-year or 10-year fixed rate or at an interest rate that will adjust monthly. Monthly payments are required on substantially all loans with the principal typically amortized over 20 to 30 years except for unsecured loans to congregations, which are written for terms up to 15 years. The fixed-rate loans are currently written at an interest rate above LCEF's Cost of Funds determined monthly ("Monthly Rate") and for a 5- or 10-year term with a two percent (2%) prepayment penalty. Late payments result in a late payment penalty being charged. The terms and availability of loans have been established and may be changed by LCEF's management. The table below provides the current COF-based interest rate formula and loan fees of new loans made on or after October 1, 2008. These terms are subject to change by LCEF's management.

<u>Loan Type</u>	<u>COF-Based Formula</u>	<u>Loan Fee Permanent Loans</u>	<u>Loan Fee Construction Loans</u>
<b>Congregations and Districts</b>			
New Starts			
Adjustable			
Initial Five Years.....	COF+1%	1%, \$7,500 max	1%, \$15,000 max
Remaining Years.....	COF+up to 2%	1%, \$7,500 max	1%, \$15,000 max
Fixed			
Initial Five Years.....	Monthly Rate	1%, \$7,500 max	1%, \$15,000 max
Existing			
Adjustable .....			
Fixed	COF+up to 2%	1%, \$7,500 max	1%, \$15,000 max
Five Years .....	Monthly Rate	1%, \$7,500 max	1%, \$15,000 max
Ten Years .....	Monthly Rate	1%, \$7,500 max	1%, \$15,000 max
<b>Colleges, Seminaries, and Synod Auxiliaries</b>			
Adjustable .....			
Fixed	COF+2%	1%, \$7,500 max	1%, \$15,000 max
Five Years .....	Monthly Rate	1%, \$7,500 max	1%, \$15,000 max
Ten Years .....	Monthly Rate	1%, \$7,500 max	1%, \$15,000 max
<b>Recognized Service Organizations and Associations of Member Congregations (Includes High School Associations)</b>			
Adjustable .....			
	COF+2%	Negotiable, provided no lower than applicable congregation fee	Negotiable, provided no lower than applicable congregation fee
Fixed			
Five Years .....	Monthly Rate	Negotiable, provided no lower than applicable congregation fee	Negotiable, provided no lower than applicable congregation fee
Ten Years .....	Monthly Rate	Negotiable, provided no lower than applicable congregation fee	Negotiable, provided no lower than applicable congregation fee
<b>Synod, CUS, Board for Mission Services, and Board for Higher Education</b>			
Adjustable .....			
Fixed	COF+2%	up to \$2,000	1%, \$15,000 max
Five Years .....	Monthly Rate	up to \$2,000	1%, \$15,000 max
Ten Years .....	Monthly Rate	up to \$2,000	1%, \$15,000 max
<b>Construction</b>			
Generally, 1% above the then-prevailing adjustable rate			
<b>Unsecured</b>			
New Starts			
Adjustable			
Initial Five Years.....	COF+1%	\$300 or \$350	N/A
Remaining Years.....	COF+up to 2%	\$300 or \$350	N/A
Fixed			
Initial Five Years.....	Monthly Rate	\$300 or \$350	N/A
Existing			
Adjustable .....			
Fixed	COF+2%	\$300 or \$350	N/A
Five Years .....	Monthly Rate	\$300 or \$350	N/A
Ten Years .....	Monthly Rate	\$300 or \$350	N/A
Lines of Credit Adjustable.....	COF+up to 2%	1%, \$7,500 max	N/A
Operating Loans (Not Available to Congregations) .....	COF+up to 2%	1%, \$7,500 max	N/A

**Rostered Church Workers**

Currently, the loans are written at a fixed or an adjustable interest rate based on LCEF's Cost of Funds or other index as state law may require plus up to five percent. The rate of interest actually charged on a particular loan will be determined by many factors including the type of loan (residential, home equity, or debt consolidation), amortization term, the amount of down payment or equity available, the loan program chosen, and the underwriting criteria met. Monthly payments are required on each type of loan. First mortgage loans are currently written on either an adjustable rate basis for up to 30 years or on a fixed basis for up to 15 years. Home equity loans will be written on a fixed rate basis for up to 15 years. Debt consolidation loans are currently written on an adjustable rate basis for up to 7 years. Each of these loans has the principal amortized over its respective term. Late payments on any of these loans may result in a late payment penalty being charged. However, no prepayment penalty exists on any of these loans. The terms and availability of these loans have been established and may be changed by LCEF management. The table below provides the current Index-based interest rate formula and loan fees on new loans made on or after October 1, 2008. These terms are subject to change by LCEF management.

<u>Loan Type</u>	<u>Index-Based Formula</u>	<u>Origination/ Loan Fee</u>
First Mortgage .....	Index + Up to 2.5%	Up to 0.75%
Home Equity .....	Index + Up to 4.5%	None
Debt Consolidation.....	Index + Up to 5%	Up to \$250

**Loans by Region**

At June 30, 2008, the amount of LCEF loans outstanding among the eight economic regions identified by U.S. Bureau of Economic Analysis ("BEA"), and those made to Lutheran ministries outside the United States, and their respective percentage of LCEF's total loans are as follows:

<b>BEA Regions</b>	<b>Loan Amount (In Thousands)</b>	<b>% of Total</b>
New England .....	\$ 14,838	1.01%
Great Lakes .....	237,994	16.25
Southeast .....	252,926	17.27
Farwest .....	245,475	16.77
Mideast .....	92,678	6.33
Rocky Mountain.....	66,883	4.57
Plains .....	345,119	23.57
Southwest .....	201,350	13.75
	<u>1,457,263</u>	<u>99.52</u>
International .....	6,945	0.48
Total	<u>\$1,464,208</u>	<u>100.00</u>

**Material Loans**

At June 30, 2008, loans in excess of one-half (1/2) of one percent (1%) of the total loan portfolio of \$1,464,208,000 are as follows:

<u>Congregations</u>	<u>Number of Loans</u>	<u>Balance at June 30, 2008 (In Thousands)</u>
Cross of Christ—Anthem, AZ.....	2	14,049
Concordia—San Antonio, TX.....	3	13,668
Our Savior—Livermore, CA.....	2	11,014
Gloria Dei—Houston, TX.....	4	10,577
Our Saviors Way—Ashburn, VA.....	3	9,883
Christ Memorial—Affton, MO.....	2	9,627
Bethany—Austin, TX.....	1	9,077
Trinity—Litchfield Park, AZ.....	3	8,852
Good Shepard—Menifee, CA.....	4	8,579
Faith—Springhill, TN.....	2	8,518
Promise—Murrieta, CA.....	2	7,977
Messiah—St. Charles, MO.....	2	7,492
The Village Lutheran Church—Bronxville, NY.....	1	7,442
Peace—O'Fallon, MO.....	3	7,424
St. Michael—Bloomington, MN.....	1	7,355

<u>Auxiliary Organizations</u>		
International Lutheran Laymens League .....	4	13,298
<u>Concordia University System, Colleges and Seminaries</u>		
Concordia University System—St. Louis, MO.....	3	37,071
Concordia College—Bronxville, NY .....	6	9,563
<u>Recognized Service Organizations</u>		
Church Development Partners—Orange, CA.....	5	11,788
<u>High School Associations</u>		
Lutheran High School—Orange, CA .....	7	14,128
Lutheran High School Association—Houston, TX.....	4	18,244
<u>Districts</u>		
Texas.....	1	12,219

### **Access to Tax-exempt Funding Sources**

LCEF assists eligible borrowers such as high schools, colleges, congregational elementary schools, and recognized service organizations in obtaining access to tax-exempt funding sources for qualified capital projects such as the acquisition, construction, equipping, furnishing, and improvement or refinancing of educational or health facilities in the following manner. LCEF provides guarantees or participates in letters of credit supporting tax-exempt borrowing by eligible third party institutions and also directly borrows tax-exempt funds from state funding authorities to loan the proceeds of these borrowings to eligible third parties. For each category, tax-exempt borrowing and loan guarantees, LCEF established a limitation totaling 75% of net assets (approximately \$131 million for each category as of June 30, 2008).

As compensation for its participation in assisting these entities in obtaining access to tax-exempt funding, LCEF receives fees based on the amounts of the guarantees or loans outstanding.

### ***Guarantees***

LCEF has entered into guarantee/participation agreements on behalf of several universities and schools of The Lutheran Church—Missouri Synod. As of June 30, 2008, LCEF had outstanding guarantee agreements with maximum undiscounted payments that could be required of LCEF totaling \$68,218,000 and liabilities related to the fair market value of the guarantees totaling \$459,000 on behalf of the following institutions:

<b>Institution</b>	<b>Amount (In Thousands)</b>
Concordia University—Irvine.....	\$18,359
Colorado LHSA—Denver, CO .....	14,717
Immanuel Lutheran School—Loveland, CO.....	9,250
Concordia University—St. Paul.....	8,799
Concordia University—Portland.....	8,587
Wider Omaha LSA—Omaha, NE .....	4,941
Lincoln Lutheran Jr/Sr—Lincoln, NE .....	<u>3,565</u>
	\$68,218

All of the obligations guaranteed by LCEF are current as of June 30, 2008, and payment of such obligations is secured by the real estate of the institutions either by mortgage to the letter of credit banks or to LCEF.

During the fiscal year ending June 30, 2008, Concordia University-Irvine (“CUI”) violated a debt service coverage ratio covenant of its reimbursement agreement with the letter of credit bank backing CUI’s tax-exempt debt. As a result, the bank informed CUI that it would not extend its letter of credit beyond the termination date of September 30, 2008. CUI is addressing the operational issues associated with its inability to meet the debt service ratio and has implemented a plan to comply with this ratio by June 2009. Through negotiations between the letter of credit bank, CUI, and LCEF (subsequent to June 30, 2008), the bank agreed to extend the letter of credit to September 30, 2009, subject to an increase in the letter of credit fees, costs associated with the extension, and LCEF’s agreement to increase its level of guarantees and participations associated with the tax-exempt borrowing by \$4,765,000 to a total of \$23,124,000.

### ***Tax-Exempt Bonds***

In July 2004, LCEF borrowed a total of \$33,140,000 from MOHEFA. LCEF loaned the bond proceeds to eight schools and a RSO in five different states (“Participating Institutions”). In July 2007, LCEF completed a second financing through MOHEFA for \$32,650,000. The second financing proceeds were loaned to seven schools and two RSOs.

In April 2008, LCEF borrowed a total of \$19,525,000 from Colorado Educational and Cultural Facilities Authority (“CECFA”). LCEF loaned the bond proceeds to three separate schools.

Under terms of the indentures, LCEF is required to maintain letters of credit in full force and effect in an amount equal to the principal amount of the outstanding bonds plus the amount required for interest thereon, until all of the bonds have been paid in full. To meet this requirement LCEF has entered into letters of credit and reimbursement agreements with highly rated commercial banks (“Credit Bank(s)”).

Under a reimbursement agreement with a Credit Bank, LCEF agrees to reimburse the Credit Bank for funds drawn on the letter of credit by the trustee to pay the principal and interest due to the bondholders. Per the terms of their loan agreements with LCEF, the Participating Institutions are responsible for the pro rata share of repayment of the principal and interest on the bonds and any and all amounts, which LCEF may be required to pay the Credit Bank under a reimbursement agreement, as well as any and all expenses or other obligations that LCEF may incur in conjunction with the issuance of the bonds or the loan of the proceeds to the Participating Institutions.

The Participating Institutions enter into agreements with Credit Banks, whereby they guarantee the performance of LCEF under the terms of its reimbursement agreement with the Credit Bank. LCEF’s rights under the mortgage securing the loan agreements with the Participating Institutions will be subordinate to a security interest in the properties of the Participating Institutions, granted to the Credit Bank as security for the guarantee agreements. A Credit Bank’s right to foreclose upon the security becomes effective in the event that LCEF defaults under the reimbursement agreement. For additional information relating to these bonds refer to Note I, entitled Bonds Payable, on page 50 of this Offering Circular.

### **Delinquent & Impaired Loans**

#### ***Delinquencies***

During the years ended June 30, 2008, and 2007, LCEF restructured delinquent loans with payments more than ninety days past due whose principal balances amounting to \$1,757,000 and \$12,787,000, respectively, or 0.1% and 1% of the loan portfolio at the beginning of the respective fiscal years.

The table below provides a summary of the principal balance of loans with payments more than ninety days past due at the end of the most recent three (3) fiscal years.

	<b>Year Ended June 30</b>		
	<b>2008</b>	<b>2007</b>	<b>2006</b>
	<b>(Dollars In Thousands)</b>		
Principal Balance of Loans .....	\$39,863	\$30,423	\$27,248
Percent of Total Loans Receivable .....	2.7%	2.3%	2.2%

#### ***Impaired Loans***

LCEF considers a loan impaired when it is placed on nonaccrual status or restructured. A loan is also considered impaired when, based on current information and events, it is probable that LCEF will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Impairment is measured on a loan-by-loan basis by either the present value of expected future cash flows discounted at the loan’s effective interest rate, the loan’s obtainable market price, or the fair value of the collateral if the loan is collateral dependent.

As outlined in Note E in the audited financial statements, during the fiscal year ended June 30, 2008, impaired loans increased from \$17,226,000 to \$52,452,000. The increase in the balance of impaired loans between June 30, 2008 and 2007 is primarily due to the decreased value of the real estate collateral during the fiscal year 2008. For further discussion of real estate development loans, refer to the Advance Site Fund narrative on pages 12 and 13.

At June 30, 2008 and 2007, loans greater than 90 days delinquent plus impaired loans amount to \$84,078,000 and \$46,360,000, or 5.74% and 3.14% of total loans receivable respectively.

LCEF utilizes a loan credit rating system to estimate its loan revaluation reserve for probable loan losses applying loss percentages based on historical experience and other factors to the various rating categories of the loans. It is management’s opinion that the \$15,380,000 reserved as of June 30, 2008, for LCEF’s loan portfolio is adequate to provide for probable loan losses and that the past due amounts will not affect LCEF’s ability to satisfy its obligations. For further information relating to the loan reserve, see Note E in the audited financial statements.

## INVESTING ACTIVITIES

### Introduction

LCEF maintains investment portfolios until funds are disbursed for new loans and to provide resources for operations and for Notes and Support Dollar payments. LCEF's policy is to maintain operating resources sufficient for the next twelve months. This is determined by adding expected loan disbursements based on outstanding commitments and guarantees, subtracting anticipated loan repayments, and taking into consideration anticipated Notes and Support Dollars payable net activity. LCEF also maintains additional resources for its investment obligations that are equal to 19% of total demand Notes and demand Support Dollars payable plus the amount of anticipated maturities of term Notes and term Support Dollars in the next twelve months.

### Investment Policies

The Board of Directors approves the investment policies of LCEF, which provide investment guidance and specific investment constraints to management for LCEF's investment portfolio. The following policies are effective as of June 30, 2008.

LCEF has three separate categories of investments. LCEF maintains a short-term category invested in cash and cash equivalents representing approximately 5% - 15% of the investment portfolio to provide for immediate cash requirements. LCEF invests 50% - 60% of the portfolio in a ladder intermediate term fixed-income portfolio emphasizing security of principal, high yield, and a secondary source of liquidity. The ladder maturities of these investments mitigate the need to sell securities to generate liquidity.

LCEF invests 25% - 35% of the portfolio in a combination of high-quality fixed-income instruments and a diversified portfolio of equity investments designed to generate a higher total return and yield. LCEF limits its investments in this category to 65% - 75% in equity investments and 25% - 35% in fixed-income securities. LCEF will invest no more than 20% of its total portfolio in a combined total of international equities and/or international fixed-income securities.

Through an arrangement with The Lutheran Church — Missouri Synod Foundation, LCEF utilizes a consultant bank to assist with the management of the fixed-income portfolio and interest rate risk management. LCEF engages individual money managers and invests in selected mutual funds through an arrangement with an investment broker who serves as an overall investment advisor for the management of LCEF's equity portfolio and its longer term fixed-income securities. An asset liability committee consisting of members of LCEF's management team meets on a monthly basis to review the performance of the investment portfolio and compliance with its investment policies. On a day-to-day basis, the Senior Vice-President — Finance — Chief Financial Officer is responsible for the management of the investment portfolio and interaction with the various advisors.

### Investment Holdings

A description of LCEF's outstanding investments as of June 30, 2008, is as follows:

<b>Type of Investment</b>	<b>Balance at June 30, 2008 (In Thousands)</b>	<b>% of Total</b>
Fixed Income Investment Fund:		
Asset and Mortgage-Backed Securities .....	\$127,810	38.4 %
U.S. Government Agency Bonds .....	73,245	22.0
Corporate Bonds .....	27,272	8.2
U.S. Treasury Securities .....	5,592	1.7
Taxable Municipal Bonds.....	1,785	0.5
	\$235,704	70.9 %
Fixed-Income Portfolio .....	\$ 29,018	8.7 %

Equity Portfolio:		
Natural Resources.....	8,523	2.6 %
Large/Mid Capitalization .....	21,177	6.4
Small/Mid Capitalization .....	8,630	2.6
Non-U.S. Stocks .....	28,123	8.5
	<u>\$ 66,453</u>	<u>20.0 %</u>
Other	<u>1,248</u>	<u>0.4 %</u>
Total	<u>\$332,423</u>	<u>100 %</u>

### Investment Performance

Exclusive of donor-restricted investments totaling \$1,231,000, LCEF's average weighted yield and total return for the fiscal year ended June 30, 2008, for its fixed-income, equity, and total portfolios are listed below:

	<b>Yield</b>	<b>Total Return</b>
Fixed-Income Investments.....	5.15%	6.15%
Equity Investments .....	2.56%	(5.56%)
Total Portfolio.....	4.63%	3.85%

The aggregate realized and unrealized gains and losses from investments for the last three fiscal years is as follows:

	<b>(Dollars in Thousands)</b>		
	<b>Year Ended June 30</b>		
	<b>2008</b>	<b>2007</b>	<b>2006</b>
Realized Gain (Loss) .....	\$3,250	\$7,822	\$4,813
Unrealized Gain (Loss) .....	(\$5,761)	1,161	(8,179)
Net Gain (Loss) .....	(\$2,511)	\$8,983	(\$3,366)

More information about LCEF's investments may be found in Note C—Investments of the “Notes to Financial Statements” on page 47.

### SELECTED FINANCIAL DATA

#### Financial Data

The table below sets forth certain selected financial data with respect to LCEF and its operations for the most recent five (5) fiscal years. Management has compiled this data from LCEF's audited financial statements, and it should be read in conjunction with LCEF's current audited financial statements including notes thereto, which begin on page 42.

	<b>(Dollars In Thousands)</b>				
	<b>Year Ended June 30</b>				
<b>Description</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Total assets .....	\$1,833,020	\$1,620,792	\$1,487,113	\$1,415,355	\$1,398,615
Cash, cash equivalents, and investments .....	358,489	260,704	237,500	268,448	288,434
Loans receivable .....	1,464,208	1,347,744	1,237,090	1,131,682	1,098,722
Loans receivable, not guaranteed or secured .....	58,735	57,868	60,294	61,788	71,317
Percentage—loans receivable, not guaranteed or secured ....	4.0%	4.3%	4.87%	5.46%	6.49%
Percentage of loan delinquencies in excess of 90 days .....	2.7%	2.3%	2.2%	2.8%	3.3%
Notes Payable .....	1,404,392	1,232,098	1,160,295	1,105,715	1,121,263
Note redemptions (exclusive of demand notes).....	123,274	99,600	59,400	59,400	55,900
Support Dollars Payable.....	167,219	157,765	132,251	118,848	122,477
Net assets .....	174,236	174,206	157,713	154,322	147,343
Changes in net assets .....	30	16,493	3,391	6,979	11,725
Net income .....	2,922	17,910	4,732	9,416	11,674
Number of investor accounts .....	111,745	116,974	115,969	114,741	117,652
Number of loans .....	3,547	3,423	3,208	2,991	2,899

## Financial Review

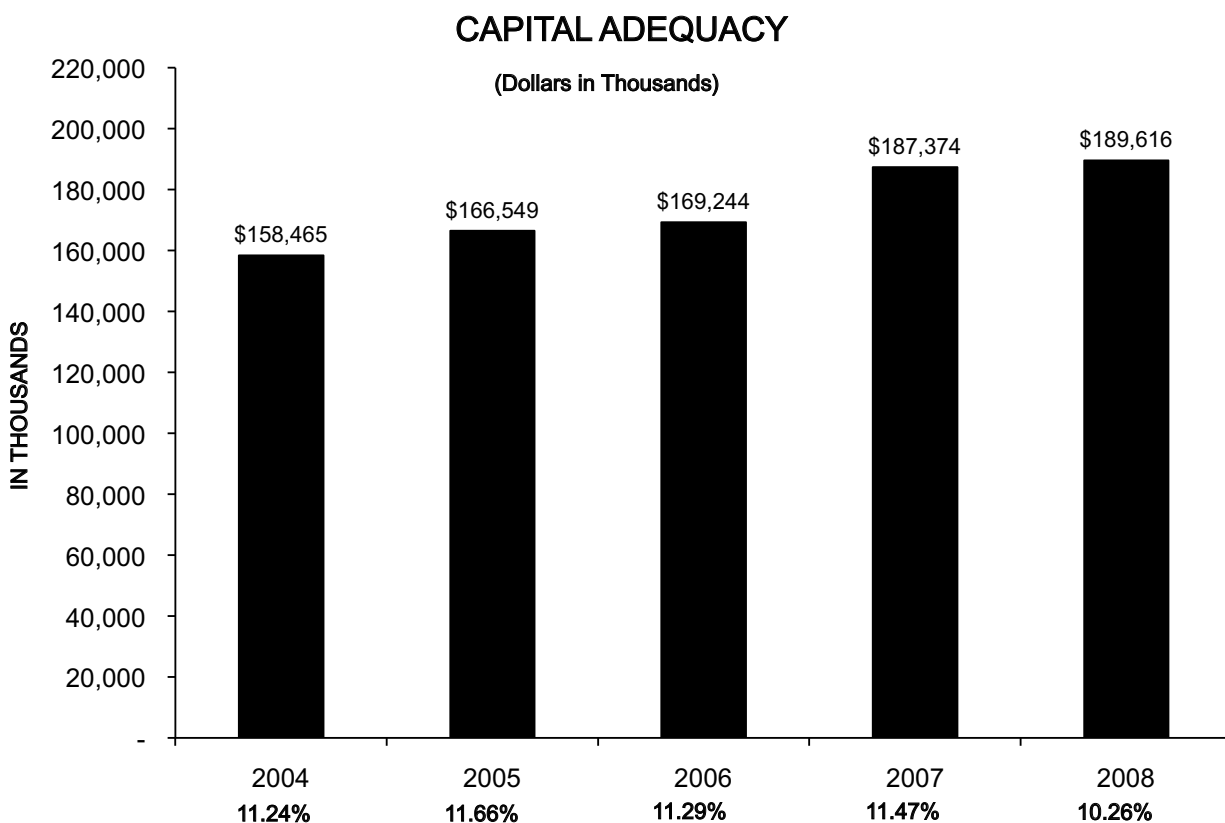
Management regularly reviews LCEF's overall financial condition. This is done in part by reviewing past and expected performance in certain key areas. The following discussion presents six such areas:

### 1. Source of Funds for Payment of Notes

Historically, interest and principal payments on LCEF's term Notes have been made primarily from the amounts received as principal and interest payments on LCEF's outstanding loans. LCEF demand note redemptions have historically been made from demand note investments. LCEF anticipates that it will continue to experience similar results in the future, although past performance is no guarantee of future performance. The graph in the section entitled "Receipts and Redemptions—Notes Payable" on page 15 demonstrates that repayments of Loans receivable have been sufficient to fund redemptions of term Notes.

### 2. Capital Adequacy

In computing the capital amounts for the current and prior four fiscal years, net assets are combined with the loan revaluation reserve. For fiscal year June 30, 2008, LCEF's net assets and loan revaluation reserve were equal to 10.26% of total assets and loan revaluation reserve. The primary reason for the decrease in the percentage for the fiscal year ended June 30, 2008, is due to the increased amount of term notes purchased by investors and lower than anticipated net income due to the financial impact on LCEF of the downturn in the equity and real estate markets. For more information related to the increase in notes payable see "Receipts and Redemptions – Notes Payable" on page 15. The following graph displays LCEF's capital adequacy for each of the five most recent fiscal years, both in dollars and as a percent of its total assets. LCEF continues to maintain a capital position to support its growth and operations. Management recognizes the need to maintain a strong capital position and carefully monitors its capital position as LCEF sells additional Notes to meet the capital financing needs of the Synod.

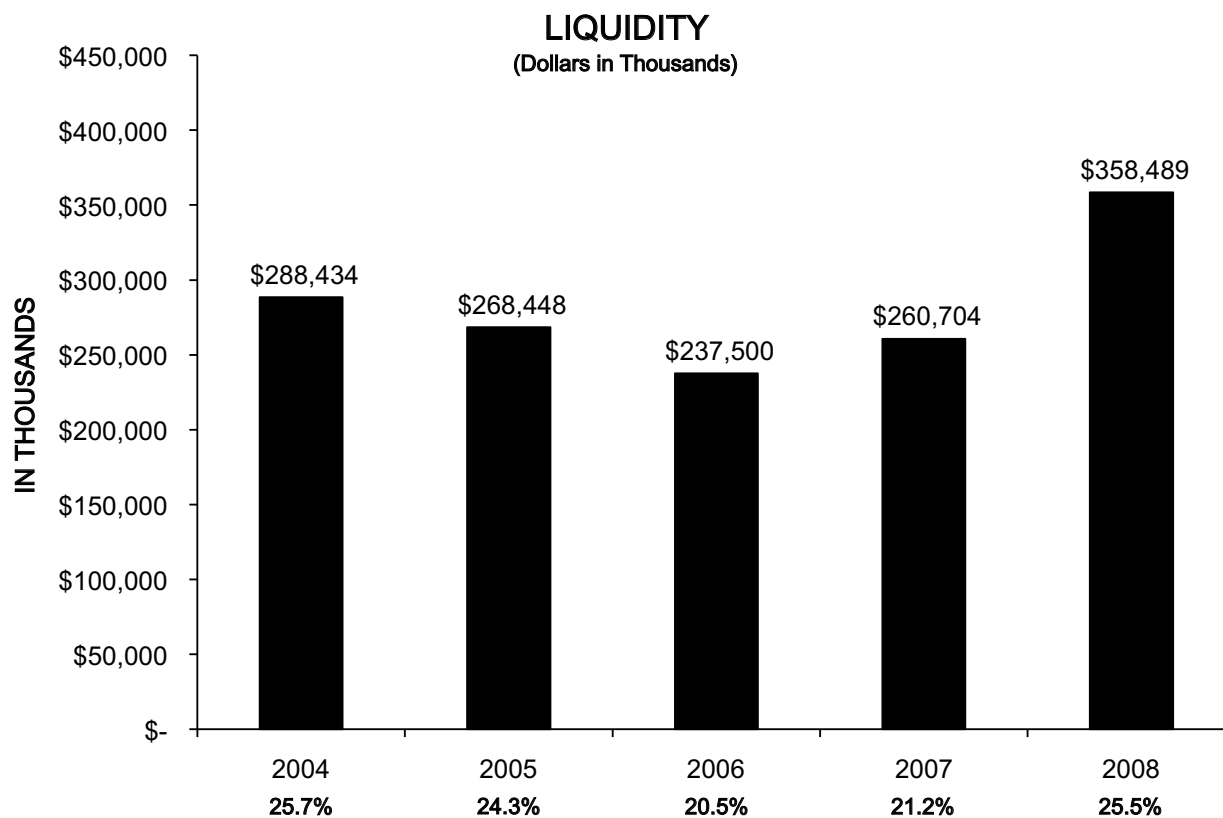




### 3. Liquidity

The third point considered is liquidity. LCEF's policy is to maintain operating resources sufficient for the next twelve months. LCEF also maintains additional resources for its investment obligations that are equal to 19% of total demand Notes and demand Support Dollars Payable plus the amount of anticipated maturities of term Notes and term Support Dollars in the next twelve months.

For the fiscal year ended June 30, 2008, LCEF's cash, cash equivalents, and readily marketable assets had a market value equal to 25.5% of its outstanding Notes. The following graph displays the amount of such liquid assets and their percentage relationship to outstanding Notes for each of the five most recent fiscal years.



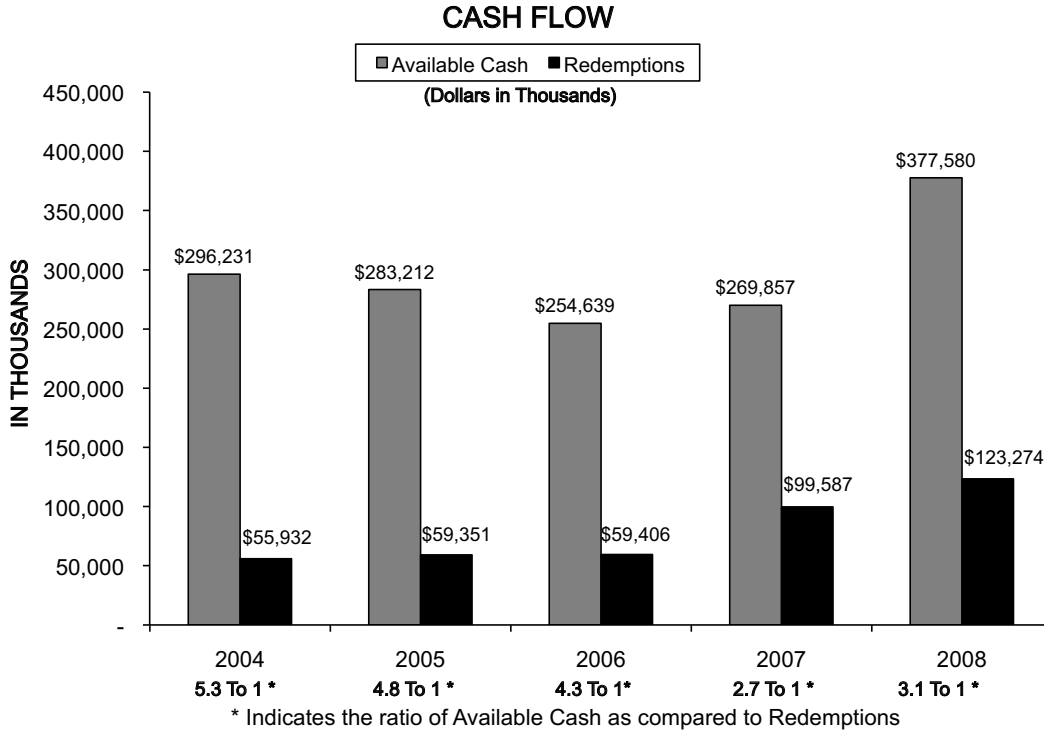
To provide additional flexibility in meeting liquidity needs, LCEF entered into a mortgage loan sale agreement with a financial institution. This agreement provides for the sale of up to \$50,000,000 of fixed-rate congregation loans at such time when management would deem it appropriate. This agreement will expire on July 31, 2009, and LCEF expects to renew this agreement when it expires. As of June 30, 2008, LCEF has not sold any such congregation loans.

#### *Lines of Credit*

As of June 30, 2008, LCEF had a secured line of credit with UMB Bank in the amount of \$60,000,000 that expires during October 2008. LCEF expects to renew or replace the agreement as it expires. In addition, LCEF obtained a secured line of credit with UBS Financial Services in the amount of \$40,000,000 for an indeterminate period. The collateral for both of these lines of credit is LCEF's investment in securities. At June 30, 2008, and 2007, LCEF had an outstanding balance drawn against its lines of credit of \$0 and \$20,000,000, respectively. For more information, see Note G-Financing Arrangements of the "Notes to Financial Statements" on page 49.

4. Cash Flow

The fourth item considers cash flow performance and examines the amount of available cash as compared to cash redemptions, exclusive of LCEF Support Dollars. Historically, LCEF has been able to meet demand for redemption of its term Notes from principal repayments from its loan receivable portfolio. Generally, redemption activity from LCEF's demand Notes has historically been funded from investments in these same instruments. The gross amount of sales and redemptions of Notes and Support Dollars Payable is reported in the "Statements of Cash Flows" on page 44. The amount of available cash primarily consists of the liquid assets at the beginning of the year, plus the applicable year's sale of term Notes and growth certificates and loan principal payments less loan disbursements. The following bar graph compares LCEF's available cash exclusive of cash generated from demand accounts to the actual cash redemptions (exclusive of demand accounts) for the five (5) most recent fiscal years.



### 5. Loan Delinquencies

At June 30, 2008, and 2007, the principal balance of LCEF's loans with payments of ninety days past due amounted to 2.7% and 2.3% of total loans receivable, respectively. See delinquency discussion on page 21 for more information. It is management's opinion that this level of delinquencies will not significantly impair LCEF's liquidity, cash flow or net assets.

### 6. Profitability

LCEF reported a positive net income for the fiscal year ended June 30, 2008, and for each of the four previous years. Net Income for the fiscal year 2008 decreased \$14,988,000 when compared to fiscal year 2007, primarily due to a downturn in the investment markets resulting in \$2.5 million in investment losses compared to investment gains totaling \$9 million in fiscal year 2007. In addition, LCEF realized a slight loss on real estate in 2008 compared to a significant real estate gain in 2007.

Details of LCEF's profitability for each of the five preceding fiscal years appears in the table below:

<u>Description</u>	<b>(Dollars In Thousands)</b>				
	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Net interest income after loan revaluation reserves .....	\$21,333	\$22,231	\$23,968	\$21,729	\$21,455
Consulting fee income .....	2,142	2,118	1,915	1,826	1,873
Operating expenses .....	<u>21,441</u>	<u>20,953</u>	<u>20,201</u>	<u>18,958</u>	<u>18,666</u>
Net operating income.....	2,034	3,396	\$ 5,682	\$ 4,597	\$ 4,662
Other income					
Net gain (loss) on investments.....	(2,511)	8,983	(3,366)	1,602	5,302
Bequests and other gifts .....	3,214	2,729	1,020	2,760	1,243
Net (loss) gain on real estate and foreclosed assets	(73)	2,572	1,124	116	155
Other .....	<u>258</u>	<u>230</u>	<u>272</u>	<u>341</u>	<u>312</u>
	\$ 888	\$14,514	(\$ 950)	\$ 4,819	\$ 7,012
Net income .....	<u>\$ 2,922</u>	<u>\$17,910</u>	<u>\$ 4,732</u>	<u>\$ 9,416</u>	<u>\$11,674</u>

## DESCRIPTION OF NOTES

### Introduction

LCEF offers its Notes to eligible Individual and Organizational Investors. LCEF accepts payment for the purchase of these Notes via cash, cashier's check, personal check, money order, LCEF K.I.D.S. Stamps, wire transfer, or through Automated Clearinghouse (ACH) transfer. LCEF's notes are general obligation debt securities. The Notes are unsecured obligations and are not SIPC- or FDIC-insured bank deposit accounts, and Investors will be wholly dependent upon the general financial condition of LCEF for repayment of principal and interest. No sinking fund or trust indenture has been or will be established.

UMB Bank provides check writing, ATM/Visa check card, and electronic funds transfer. A third-party information technology firm that specializes in core processes of financial institutions provides the Internet financial services through agreements with investors selecting these options and LCEF. Investors may use the Internet financial services and the audio response system (a telephone-based system) to access their investment accounts, including the ability to transfer funds among existing LCEF Notes. The Internet services also allow Investors to initiate a one-time wire transfer from their LCEF Notes and to initiate ACH transfers to or from existing LCEF Notes, as well as transfers to and from accounts held at commercial institutions. References to these services are made throughout this section describing LCEF's investment options.

All Investors are provided statements at least semiannually, with StewardAccount<sup>®</sup> Investors receiving statements monthly.

LCEF Notes may qualify as unclaimed property if the date from the last investor initiated contact exceeds the applicable state defined dormancy period. Dormancy periods range from three to seven years. To comply with unclaimed property law, LCEF is required to perform certain due diligence procedures.

All Notes offered to individuals, except StewardAccounts, Family Emergency StewardAccount Certificates, and FlexPlus Savings Certificates may be available as investments for IRAs, at minimum investments to be determined by LCEF. All Notes offered to individuals for IRAs may be at interest rates higher than those offered for other Notes. Individuals who wish to invest in LCEF Notes through a self-directed IRA or HSA with LCEF may do so through custodial agreements with UMB Bank of Kansas City, Missouri.

LCEF reserves the right to call the Notes for redemption at any time upon 60 days' written notice and to discontinue offering any Notes described herein without the need to supplement this Offering Circular. LCEF also reserves the right to offer additional Notes with different terms from the Notes described herein through a supplement to this Offering Circular. The Notes are non-negotiable and may be assigned only upon LCEF's written consent.

All of the outstanding Notes are unsecured debts of LCEF, and LCEF has not issued Notes which by their terms have a higher priority to payment. However, LCEF has two lines of credit with two financial organizations in the amount of \$100,000,000 secured by LCEF investments (see "Lines of Credit" on page 25).

If required by regulations implementing the USA Patriot Act, LCEF may require additional information to verify an Investor's identity.

### Interest

The interest rate offered for any newly issued Note may be changed as of the first day of each month without issuing a supplement to the Offering Circular. The interest rate for each Note is established within a defined interest rate range. LCEF establishes each range by first computing its midpoint and then defining the percentage amount above and below the midpoint (the "Limits"). The midpoints and the Limits defining the interest rate range are listed in the table on page 32.

The midpoint for selected tiers of the StewardAccount(s), the Dedicated Certificate for IRAs, the Congregation StewardAccount, and Demand Certificates is based on an internally computed index referred to as the "Indexed Rate(s)". This rate is the five-day average rate paid for certain 90-day investments as obtained from Bloomberg<sup>®</sup>, rounded to the nearest one-eighth percent.

For all other Notes, the midpoint is based on rates published in the Bank Rate Monitor<sup>®</sup> (BRM) for comparable investments having similar terms. The terms of the certificates in the Bank Rate Monitor<sup>®</sup> used to determine these midpoints and the percentage Limits for all LCEF Notes not issued for a Tax-Deferred Plan are listed in the table on page 32. The percentage Limits for Notes issued for a Tax-Deferred Plan are equal to those in this table plus 1%.

The rates at which Fixed-Rate Term Notes, other than those issued with a stepped interest rate, and Congregation Fixed-Rate Endowment Certificates are issued will remain in effect for their entire terms. All other Notes pay a floating interest rate adjusted the first day of each month.

LCEF may offer interest rate step-ups for selected periods of time for selected term(s) of newly issued Fixed-Rate Term Notes. Fixed-Rate Term Notes issued with an interest rate step-up permit the Investor(s) to exercise a one-time option to adjust the interest rate on the Note to the fixed rate of interest then payable on a newly issued Note of that same type and term. Such Notes issued with an interest rate step-up will earn the fixed rate of interest as specified in the initial investment certification during their entire

initial term unless and until the Investor(s) notify(ies) LCEF of their intent to exercise the one-time interest rate step-up option. Upon LCEF's receipt of such notice, such Note shall earn the fixed rate of interest then payable on newly issued Notes of that same type and term during the entire remaining portion of such Note's initial term.

LCEF reserves the right to change the method by which the interest rate is calculated and to change the Limits for all variable interest rate Notes, upon 30 days' written notice without issuance of a supplement to the Offering Circular. LCEF also reserves the right to change the interest rate on StewardAccount®, Dedicated, Family Emergency StewardAccount, Congregation Demand, Congregation Cemetery Perpetual Care StewardAccount, and FlexPlus Certificates. Such interest rate changes include modifying the number of interest rate tiers and the minimum balances associated with them, modifying the frequency and method by which the interest rate is calculated and how frequently interest is paid to the Investor or added to the Notes. In the event of such changes, the holders of these Notes will receive written notification describing the changes in the method of determining rates. If upon receiving such notice Investors wish to make a complete redemption, they may do so within thirty days of receiving the written notice. For the final interest payment only, they also may be paid interest at the rates in effect for those Notes during the preceding quarter, provided they notify LCEF of this election within the same 30-day period.

Funds received for the purchase of Notes earn interest from the date of receipt. Interest on StewardAccounts®, Family Emergency StewardAccount Certificates, Congregation StewardAccounts®, Congregation Cemetery Perpetual Care StewardAccount Certificates, and FlexPlus Certificates will be compounded and paid monthly. Interest on all other Notes will be compounded and paid no less frequently than every three months. Interest shall be added to the principal, unless the Investor elects to have the interest paid directly to the Investor. This election may be changed at any time through written notice to LCEF. Interest, however, is required to be added to the balances of FlexPlus Certificates, Family Emergency StewardAccount Certificates, and StewardAccount® Certificates with balances less than \$5,000. Investors may, subject to a 30-day notice requirement reserved by LCEF, request payment of any amount of interest previously added to their Notes during the current Note's term, without redeeming the principal of the Notes or being subject to any penalty on any Note with an accumulated balance of less than \$5,000.

LCEF is not required to redeem any Note prior to its maturity date. As a matter of policy and practice, however, LCEF has redeemed Notes at the request of Investors upon a showing of need. LCEF anticipates that it will continue to do so, although there can be no assurance that it will continue this practice. When LCEF agrees to redeem a Note, prior to maturity, interest penalties may apply. Penalties are computed on the amount redeemed less accumulated interest using the current interest rate for a specified number of days as provided in the table on page 32.

The current rate of interest and the APY for all LCEF Notes offered October 1, 2008, are provided on page 32. The APY is calculated in accordance with Federal Reserve Board Regulation DD using LCEF's current stated rate of interest, the frequency of compounding, and based on no redemption of principal or interest.

### **Notes Offered to Individual and Organizational Investors**

All of the Notes described below are offered as of October 1, 2008. The current name of each Note LCEF offers and certain of its terms are set out below:

#### **Notes Offered to Individual Investors**

##### ***K.I.D.S. Stamps***

K.I.D.S. Stamps are primarily offered to children and youth through LCMS Sunday Schools and parochial day schools. Stamps have cash values of \$0.25 and \$1.00. Stamps may be accumulated in stamp books and transferred to Dedicated Certificates for the face value of all stamps accumulated in the books. Congregations or schools purchase the stamps from LCEF and sell them to their members and/or members' children.

##### ***Dedicated Certificates***

A demand investment requiring a \$100 minimum initial investment (\$25 for K.I.D.S. Stamps and certificates opened under the Uniform Gift/Transfers to Minors Act), offering:

- Floating interest rates that adjust the first day of each month.
- Progressive, tiered interest rate schedule; rates rise as balance grows.
- Unlimited number of investments; penalty-free redemptions.
- Principal and accumulated interest is redeemable at any time upon 30-days' written notice.
- *For IRA Notes only—tiered interest rate schedule that pays interest rates tied to LCEF's StewardAccount®.*

### ***Family Emergency StewardAccount Certificate***

A demand investment requiring a minimum \$25 initial investment, offering:

- Floating interest rates that adjust the first day of each month.
- Limited check writing access for partial or total redemptions.
- Monthly compounding and payment of interest.
- Required minimum additional direct investment through electronic transfer on a monthly basis of at least \$25 until the account balance reaches a minimum of \$10,000.
- Account balances of \$10,000 or greater are exempt from the monthly direct investment through electronic transfer requirement.

LCEF reserves the right to assess fees and/or change existing fees upon 30 days' written notice.

### ***StewardAccount® Certificate***

A demand investment requiring a \$100 minimum initial investment, offering:

- Floating interest rates that adjust the first day of each month.
- Progressive, tiered interest rate schedule; rates rise as balance grows.
- Check writing access for partial and total redemptions.
- Monthly compounding and payment of interest.
- Optional ATM/Visa Check Card access and electronic transfer capabilities.

LCEF reserves the right to assess fees and/or change existing fees upon 30 days' written notice.

### **Note Offered to Individual Investors for Health Savings Accounts**

#### ***FlexPlus Certificate***

A demand investment requiring a \$1 minimum initial investment, offering:

- Floating interest rates that adjust the first day of each month.
- Progressive, tiered interest rate schedule; rates rise as balance grows.
- Check writing access for partial and total redemptions.
- Monthly compounding of interest.
- Visa Check Card access and electronic transfer capabilities.

LCEF reserves the right to assess fees and/or change existing fees upon 30 days' written notice.

### **Notes Offered to Individual and Organizational Investors**

#### ***Fixed-Rate Term Notes***

A term investment offering:

- Interest rates that, except for those Notes offered with an Interest Rate Step-Up, remain unchanged for the duration of the Note.
- A \$500 minimum investment for 6-month, 9-month, 1-year, 18-month, 2-year, 3-year, 5-year, 6-20 year terms.
- A \$25,000 minimum investment for 90-day term.

#### ***Floating-Rate Term Notes***

A term investment requiring a \$100 minimum initial investment, offering:

- Interest rates that adjust on the first day of each month for the duration of the Note.
- Additional investments of \$25 or greater.
- 30-month and 60-month terms.

### **Notes Offered to Organizational Investors**

Congregations and other eligible entities (as described on page 2) may invest in the Notes described above, and in addition, LCEF offers the following Notes only to Organizational Investors:

#### ***Congregation Demand Certificate***

A demand investment requiring a \$100 minimum initial investment, offering:

- Floating interest rates that adjust the first day of each month.
- Unlimited number of investments; penalty-free redemptions.
- Principal and accumulated interest payable at any time upon 30 days' written notice.

### ***Congregation StewardAccount® Certificate***

A demand investment requiring a \$100 minimum initial investment, offering:

- Floating interest rates that adjust the first day of each month.
- Progressive, tiered interest rate schedule; rates rise for stated investment tiers.
- Monthly compounding and payment of interest.
- Check writing access for partial or total redemptions.
- Optional ATM/Visa Check Card access and electronic transfer capabilities.

LCEF reserves the right to assess fees and/or adjust the interest rate for services upon 30 days' written notice.

### ***Congregation Fixed-Rate Endowment Certificate***

A five-year term investment requiring a \$1,000 minimum investment, offering:

- Interest rates that remain unchanged for the term of the Note.
- Progressive, tiered interest rate schedule; rates rise for stated investment tiers.

### ***Congregation Floating-Rate Endowment Certificate***

A five-year term investment requiring a \$1,000 minimum investment, offering:

- Interest rates that adjust on the first day of each month.
- Progressive, tiered interest rate schedule; rates rise for stated investment tiers.
- Additional investments of \$1,000 or greater.

### ***Congregation Cemetery Perpetual Care StewardAccount Certificate***

A demand investment requiring a \$1,000 minimum initial investment, offering:

- Floating interest rates that adjust the first day of each month.
- Monthly compounding and payment of interest.
- Check writing access for partial or total redemptions.
- Optional ATM/Visa Check Card access and electronic transfer capabilities.
- Progressive, tiered interest rate schedule; rates rise as balance grows.

LCEF reserves the right to assess fees and/or change existing fees upon 30 days' written notice.

## **Maturities**

LCEF shall mail maturity notices to Investors holding Fixed- and Floating-Rate Term Notes or Congregation Fixed- and Floating-Rate Endowment Certificates at least thirty days prior to the maturity of the Notes. LCEF reserves the right (upon notice of maturity) to change the term of the Note, the frequency and method by which the interest rate is calculated, and how frequently interest is paid to the Investor or added to the Note (the "Interest Terms"). LCEF will provide a current Offering Circular to each Investor with each maturity notice, unless a current Offering Circular has previously been provided to the Investor. The maturity notice will indicate the date of maturity and that the Note's balance of principal and accrued interest (if applicable) will automatically be renewed under the Interest Terms described in the notice unless the Investor elects in writing twenty days before or after the Note's maturity date to redeem the Note. The Investor may elect to redeem any accrued interest and invest the remaining principal balance in the Note described in the maturity notice or in any other qualified LCEF Note. The Investor may indicate this election by sending to LCEF either a signed and dated investment application or the "Note Authorization" form that is provided on the reverse side of the maturity notice. If the Investor elects to have the Note redeemed, payment will be made promptly by LCEF.

As of October 1, 2007, LCEF no longer offers Growth Certificates. Under the terms of the Growth Certificate, upon maturity, the interest paid to the Investor reverts to the lowest tier offered on Dedicated Certificates. The Investor receives the Dedicated Certificate interest rate until he or she elects to use the matured funds for reinvestment into an LCEF Note or redeems the Note. On October 1, 2007, LCEF changed the Growth Certificate Maturity Procedure. As of October 1, 2007, LCEF mails maturity notices to Investors holding Growth Certificates at least 30 days prior to maturity. The maturity notice will indicate the date of maturity and that the Note's balance of principal and accrued interest (if applicable) will automatically be renewed under the Interest Terms described in the notice unless the Investor elects in writing 20 days before or after the Note's maturity date to redeem the Note. The Investor may elect to redeem, exchange, or withdraw any accrued interest and invest the remaining principal balance in the Note described in the maturity notice or in any other qualified LCEF Note. The Investor may indicate this election by sending to LCEF either a signed and dated investment application or the "Note Authorization" form that is provided on the reverse side of the maturity notice. If the Investor elects to have the Note redeemed, payment will be made promptly by LCEF.

## **Summary of Notes**

The following table presents the current minimum initial investment, additional investments, minimum redemption amounts, interest rates, and APYs for LCEF Notes effective October 1, 2008. Included are the types and terms of the certificates used to determine the midpoint of the Notes' interest rate range. Money Market Account ("MMA") rates and all rates other than the Indexed Rate are as reported in the Bank Rate Monitor®. The Indexed Rate ("Ind. Rate") is the five-day average rate paid for certain 90-day investments as reported by Bloomberg rounded to the nearest one-eighth percent.

Description	Terms	Minimum Initial Investment	IRA Minimum Investment	HSA Minimum Investment	Minimum Additional Investment	Minimum Allowable Redemptions	Int Rates	APYs	BRM Midpoint	Limits	Penalty
K.I.D.S. Stamps .....	Demand	\$ 0.25	N/A	N/A	\$ 0.25	\$ 10	N/A	N/A	N/A	N/A	N/A
Family Emergency											
StewardAccount Certificate..	Demand	\$ 25	N/A	N/A	Yes-\$1	Yes-\$1	3.750	3.815	5 Year	3.00%	N/A
Dedicated Certificate.....	Demand	\$ 25	N/A	N/A	Yes-\$1	Yes-\$1	0.500	0.501	MMA	1.00%	N/A
.....	Demand	1,000	N/A	N/A	Yes-\$1	Yes-\$1	0.625	0.626	MMA	1.25%	N/A
.....	Demand	5,000	N/A	N/A	Yes-\$1	Yes-\$1	0.750	0.752	MMA	1.50%	N/A
IRA Dedicated Certificate .....	Demand	N/A	\$ 100	N/A	Yes-\$1	Yes-\$1	1.250	1.256	MMA	1.00%	N/A
.....	Demand	N/A	1,000	N/A	Yes-\$1	Yes-\$1	1.375	1.382	MMA	1.25%	N/A
.....	Demand	N/A	5,000	N/A	Yes-\$1	Yes-\$1	1.750	1.762	Ind. Rate	2.50%	N/A
.....	Demand	N/A	10,000	N/A	Yes-\$1	Yes-\$1	2.875	2.906	Ind. Rate	2.50%	N/A
StewardAccount .....	Demand	\$ 100	N/A	N/A	Yes-\$1	Yes-\$1	1.250	1.257	MMA	2.50%	N/A
.....	Demand	1,000	N/A	N/A	Yes-\$1	Yes-\$1	1.375	1.384	MMA	2.50%	N/A
.....	Demand	5,000	N/A	N/A	Yes-\$1	Yes-\$1	1.750	1.764	Ind. Rate	2.50%	N/A
.....	Demand	10,000	N/A	N/A	Yes-\$1	Yes-\$1	2.875	2.913	Ind. Rate	2.50%	N/A
FlexPlus Certificate.....	Demand	N/A	N/A	\$ 1	Yes-\$1	Yes-\$1	3.375	3.428	5 Year	4.00%	N/A
.....	Demand	N/A	N/A	2,500	Yes-\$1	Yes-\$1	3.875	3.945	5 Year	4.00%	N/A
.....	Demand	N/A	N/A	5,000	Yes-\$1	Yes-\$1	4.375	4.464	5 Year	4.00%	N/A
.....	Demand	N/A	N/A	15,000	Yes-\$1	Yes-\$1	4.875	4.985	5 Year	4.00%	N/A
Fixed-Rate Term Note .....	90 Days	\$ 25,000	\$ 25,000	N/A	No	No	TBD	TBD	5 Year	4.00%	30
.....	6 Mo	500	500	N/A	No	No	2.000	2.015	6 Mo	2.00%	30
.....	9 Mo	500	500	N/A	No	No	2.000	2.015	1 Year	2.50%	30
.....	1 Year	500	500	N/A	No	No	2.250	2.269	1 Year	2.00%	30
.....	18 Mo	500	500	N/A	No	No	2.375	2.396	2 Year	2.50%	30
.....	2 Year	500	500	N/A	No	No	2.625	2.651	2 Year	2.50%	30
.....	3 Year	500	500	N/A	No	No	2.750	2.778	2.5 Year	2.00%	60
.....	5 Year	500	500	N/A	No	No	3.625	3.675	5 Year	2.00%	90
.....	5 Year	N/A	\$100,000	N/A	No	No	4.000	4.060	5 Year	3.00%	90
.....	6-10 Year	500	500	N/A	No	No	3.875	3.932	5 Year	2.00%	90
.....	11-15 Year	500	500	N/A	No	No	4.125	4.189	5 Year	2.25%	120
.....	16-20 Year	500	500	N/A	No	No	4.375	4.447	5 Year	2.50%	180
Floating-Rate Term Note.....	30 Mo	\$ 100	\$ 100	N/A	Yes-\$25	No	2.560	2.585	2.5 Year	2.00%	60
.....	60 Mo	100	100	N/A	Yes-\$25	No	3.570	3.618	5 Year	2.00%	90
.....	60 Mo	N/A	100,000	N/A	Yes-\$25	No	3.945	4.004	5 Year	3.00%	90
Congregation Demand Certificate .....	Demand	\$ 100	N/A	N/A	Yes-\$1	Yes-\$1	1.875	1.888	Ind. Rate	2.50%	N/A
Congregation StewardAccount® Certificate .....	Demand	\$ 100	N/A	N/A	Yes-\$1	Yes-\$1	2.875	2.913	Ind. Rate	2.50%	N/A
.....	Demand	250,000	N/A	N/A	Yes-\$1	Yes-\$1	3.000	3.042	Ind. Rate	2.50%	N/A
.....	Demand	500,000	N/A	N/A	Yes-\$1	Yes-\$1	3.125	3.170	Ind. Rate	2.50%	N/A
.....	Demand	1,000,000	N/A	N/A	Yes-\$1	Yes-\$1	3.250	3.299	Ind. Rate	2.50%	N/A
Congregation Cemetery Perpetual Care											
StewardAccount Certificate....	Demand	\$ 1,000	N/A	N/A	Yes-\$1	Yes-\$1	3.125	3.170	Ind. Rate	3.00%	N/A
.....	Demand	25,000	N/A	N/A	Yes-\$1	Yes-\$1	3.375	3.428	Ind. Rate	3.00%	N/A
.....	Demand	50,000	N/A	N/A	Yes-\$1	Yes-\$1	3.625	3.686	Ind. Rate	3.00%	N/A
.....	Demand	100,000	N/A	N/A	Yes-\$1	Yes-\$1	3.875	3.945	Ind. Rate	3.00%	N/A
Congregation Fixed-Rate Endowment Certificate.....	60 Mo	\$ 1,000	N/A	N/A	No	No	3.945	4.004	5 Year	3.00%	90
.....	60 Mo	10,000	N/A	N/A	No	No	4.070	4.133	5 Year	3.00%	90
.....	60 Mo	100,000	N/A	N/A	No	No	4.195	4.261	5 Year	3.00%	90
Congregation Floating-Rate Endowment Certificate.....	60 Mo	\$ 1,000	N/A	N/A	Yes-\$1,000	No	3.945	4.004	5 Year	3.00%	90
.....	60 Mo	10,000	N/A	N/A	Yes-\$1,000	No	4.070	4.133	5 Year	3.00%	90
.....	60 Mo	100,000	N/A	N/A	Yes-\$1,000	No	4.195	4.261	5 Year	3.00%	90



## **PLAN OF DISTRIBUTION**

LCEF's offering of the Notes is made solely by the Offering Circular. The Offering Circular contains LCEF's audited financial statements and is distributed to each Synod congregation and mailed directly to current Investors within 120 days of each fiscal year-end. Promotional material is also published in national and regional publications of the Synod. In addition, promotional material is mailed to prospective Investors and distributed at churches, church conferences, conventions, retreats, and seminars. The promotional material used by LCEF contains a toll-free telephone number, which a prospective Investor may use to call and request an Offering Circular. An LCEF home page for the Internet contains its Offering Circular, Application Form, and promotional information for existing and prospective Investors at [www.lcef.org](http://www.lcef.org). No underwriting or selling agreement exists and no direct or indirect commission or other remuneration will be paid to any individuals or organizations in connection with the offer and sale of LCEF Notes. No offers to purchase will be accepted prior to the time that an Investor has signed an Application Form acknowledging receipt of an Offering Circular.

Individuals who wish to hold their Notes in an IRA or an HSA may do so as a result of an arrangement that LCEF has made with UMB Bank, n.a., in Kansas City, Missouri. UMB Bank, as the custodian of a self-directed IRA or HSA, invests funds with LCEF as directed by the Investor. A Nonmember District may promote the sale of LCEF Notes to IRAs or HSAs using these arrangements. This District, through its officials, will use this Offering Circular and other written material to promote such sales.

## **TAX ASPECTS**

Investors will not receive a charitable deduction upon the purchase of a Note. The interest paid or payable on the Notes will be taxable as ordinary income to the holder in the year it is paid or accrued. Thus, as to interest accrued over the life of a Note to be paid at the maturity date, all Investors must report such interest as income on their federal income tax returns and state income tax returns, if applicable, ratably over the term of the Note as interest accrues. Investors also may be liable for other state and local taxes in the state or locality in which they reside. Since the tax laws of each state and locality may differ, each Investor should consult a competent tax advisor about the tax consequences. Transferability of the Notes is limited, and it is unlikely that there would be a sale or exchange of a Note. See "Description of Notes" on page 28. Upon a transfer, however, the seller generally would report either short-term or long-term gain or loss, depending upon the length of time held, the gain or loss being equal to the difference between the purchase price and the amount received upon sale or exchange, less previously accrued interest. Purchasers who hold Notes until their maturity will not be taxed on the return of the principal purchase price or on the payment of previously accrued and taxed interest. Any excess will be interest income.

An individual Investor (or a husband and wife together) who has (have) invested or loaned more than \$250,000 in aggregate with or to Synodical Corporations (Districts, District CEFs, colleges and seminaries, LCEF, and other synodically controlled organizations) may be deemed to receive additional taxable interest under Section 7872 of the Code. Such Investors should consult their tax advisors to be informed of the special income tax rules applicable to loans and investments, in the aggregate, greater than \$250,000.

Federal law requires LCEF to withhold the current backup withholding percentage from any interest payment paid by LCEF if the Investor has not properly furnished a certified Taxpayer Identification Number ("TIN") and has not certified that withholding does not apply. If the Internal Revenue Service ("IRS") has notified LCEF that the TIN listed on an Investor's account is incorrect according to its records, LCEF is required by the IRS to withhold 28% of any interest payment. Amounts withheld are applied to the Investor's federal tax liability, and a refund may be obtained from the IRS if withholding results in overpayment of taxes.

LCEF will notify individual Investors of interest earned on Notes by sending them an IRS Substitute Tax Form 1099 by January 31 of each year. Investors who choose to contribute their earnings for certain operating programs of the Synod also will receive IRS Substitute Form 1099, which will report all earnings, including any amounts contributed for certain operating programs of the Synod. Contributed amounts, however, would constitute a charitable contribution for those Investors who are able to itemize deductions.

## **LITIGATION**

To the best of its knowledge, LCEF is not aware of any pending or threatened action, proceeding, inquiry, or investigation at law or in equity, in which an adverse determination would have an adverse material impact on LCEF. For the prior three fiscal years, there has been no material litigation involving any LCEF director or officer pertaining to his/her duties as an LCEF director or officer.

## MANAGEMENT

### Organizational Structure

LCEF is a Missouri nonprofit membership corporation. The 150 members of LCEF consist of 135 persons selected by LCEF Member Districts and 13 persons selected by the Synod's Board of Directors, plus the President and Vice President—Finance-Treasurer of the Synod. The Members elect eight of the Directors and LCMS's voting members elect three of the directors during their triennial conventions. The Vice President—Finance-Treasurer of LCMS is the nonvoting twelfth member of the LCEF Board.

### Directors

LCEF's affairs are managed by its Board of Directors, which establishes and monitors LCEF's policies and also serves as the Church Extension Board of the Synod, which coordinates the Church Extension functions of the Nonmember Districts. Each Board member's term of office is three years, with a maximum of four consecutive terms. The Board meets at regularly scheduled meetings not less often than quarterly and at special meetings as necessary. The following persons presently serve as the Board of Directors of LCEF:

1. Rev. David Belasic, Chairperson, born in 1935, is a retired LCMS minister and a former president of the Eastern District of the LCMS. His term expires September 2010.
2. Ms. Pamela K. Moksnes, Vice-Chairperson, born in 1957, is a retired manager for Thrivent Financial for Lutherans®. Her term expires November 2008.
3. Mr. Randall J. Peterson, Secretary, born in 1945, is the Regional Chairman Wisconsin/Iowa for Citizen's Republic Bancorp. His term expires November 2009.
4. Ms. Sandra Thompson, born in 1936, is a consultant for the Indiana District of the LCMS and a past Treasurer of Quality Water. Her term expires November 2009.
5. Mr. John L. Daniel, born in 1938, is a retired Divisional Sales Manager with Allen Organ Company. His term expires November 2008.
6. Mr. Leon Langemeier, born in 1933, is President of the Bridger Company, a multi-bank holding company. His term expires November 2008.
7. Mr. Tom Buuck, born in 1963, is the majority owner of Idaho Mutual Trust, a commercial real estate finance company. His term expires September 2010.
8. Mr. David Wuenscher, born in 1936, is a commercial real estate broker and real estate consultant with Grubb Ellis Gundaker Commercial. His term expires September 2010.
9. Rev. Jotham Johann Jhang, born in 1967, is Executive Director of the Center for Asian Missions and Evangelism. His term expires November 2010.
10. Mr. Richard C. Robertson, born in 1955, is the managing partner of H & R Land Development Corporation. His term expires November 2009.
11. Mr. Dennis Becker, born in 1951, is a partner with the law firm of Barnes & Thornburg, LLP. His term expires November, 2010.
12. Dr. Thomas Kuchta, CPA, born in 1942, is the Vice President—Finance-Treasurer of the Synod. His term expires September 2010.

## Officers

### *President*

Mr. Merle Freitag, born in 1940, previously served as vice president—finance for the American Red Cross and as senior vice president, logistics for Innolog. Prior to that, he served in various financial capacities in the U.S. Army including comptroller and director, Army Budget, until his retirement as Lieutenant General.

### *Senior Vice President, Loans and Real Estate*

Mr. Larry Crume, born in 1959, previously served as LCEF Vice President since October 1999. Prior to that, he served as an executive vice president of Fidelity State Bank and Trust Company of Topeka for 17 years.

### *Senior Vice President, Finance and Chief Financial Officer*

Mr. Thomas R. Helfrich, born in 1954, served as manager of accounting with the Lutheran Church Extension Fund from 1980 to February 1987 and then as assistant vice president—accounting and financial services until July 1988.

### *Senior Vice President, Ministry Services*

Mr. Jerome (Jay) A. De Beir, born in 1967, previously served as executive vice president of Signet Health Care Corporation, Denton, Texas and in other development, marketing and operational roles within the healthcare industry throughout the United States.

### *Senior Vice President, District and National Relations*

Rev. Jeffrey J. Miller, born in 1944, served from 1986 to July 1997 as assistant to the District President of the Minnesota South District, and from October 1992 to June 1997, as LCEF vice president serving in this District.

### *Senior Vice President, Marketing and Customer Support*

Mr. Glenn A. Mahnken, born in 1960, served from August 2001 to June 2005 as vice president of marketing and from April 1999 to August 2001 as marketing manager for the Lutheran Church Extension Fund. Prior to that, he served in various marketing and sales management positions in the consumer packaged goods industry.

### *Senior Vice President, Information Technology and Chief Information Officer*

Mr. Rick Lauer, born in 1957, previously served in various technical leadership roles in the information systems, telecommunication, and network industries.

### *Vice President, Loans, and Assistant Secretary*

Ms. Carolyn B. Schlimpert, born in 1943, served as a loan officer for the Lutheran Church Extension Fund from 1983 to February 1986 and then as a senior loan officer to March 1989.

### *Vice President, Capital Funding Services*

Mr. David Kuerschner, born in 1945, served as vice president, agency services since January 2000, and from November 1998 through January 2000, as a field consultant of Capital Funding Services department of the LCMS Foundation. Prior to that, he was Vice President—Church Division with Cargill Associates from January 1992 to October 1998.

### *Vice President, Congregational Services*

Mr. Mark D. Marshall, CFRE, born in 1957, served from August 1992 to November 1999 as vice president for field services of Capital Funding Services of the LCMS Foundation.

### *Vice President, Laborers For Christ*

Mr. Daniel J. Baker, born in 1952, served as a pre-construction coordinator for Laborers For Christ from February 2003 to October 2005. Prior to that, he served 34 years as a land developer and owner of a construction company and real estate business.

### *Vice President, Large Church Ministries*

Dr. Jock Ficken, born in 1955, previously served as senior pastor of St. Paul Lutheran Church, Aurora, Illinois for the past 25 years.

*Vice President, Ministry Services Administration*

Ms. Jane M. Absheer, born in 1950, served from June 1994 to February 2006 as assistant vice president in various LCEF departments and from April 1984 to June 1994 as supervisor, assistant manager, manager, and assistant vice president of operations for the Lutheran Church Extension Fund.

*Assistant Vice President, Finance*

Mr. Kevin D. Bremer, born in 1962, served from September 1993 to July 1996 as manager of financial planning for the Lutheran Church Extension Fund.

*Assistant Vice President, Customer Service*

Ms. Karen S. Drier, born in 1952, served from May 1973 to June 1994 in various positions including investor services representative and supervisor of investor services for the Lutheran Church Extension Fund.

*Assistant Vice President, Marketing Research*

Ms. Beverly S. Gregory, born in 1949, served from August 1990 to July 1996 as a systems coordinator and manager of systems analysis for the Lutheran Church Extension Fund.

*Assistant Vice President, Investment Processing*

Ms. Barb Mielke, born in 1960, previously served in various operational and management positions within the financial services industry.

*Assistant Vice President, Accounting and Financial Reporting*

Mr. Kenneth R. Weber, born in 1959, served from December 1988 to July 1999 as accounting supervisor and manager for the Lutheran Church Extension Fund.

*Director, Regulatory Compliance*

Mr. Michael J. Krus, born in 1976, previously served as an assistant attorney general for the state of Missouri and as a contracts manager for an information technology firm.

*Vice Presidents Serving in Member Districts*

The following is a list of LCEF Vice Presidents who serve in Member Districts. As such, they are either paid employees or volunteers of their respective Member District.

Atlantic District

Mr. Peter Labenberg, born in 1963, has served as Executive for Finance and Stewardship and as LCEF Vice President of the Atlantic District since August 2006. Prior to that, he served as a vice president and marketing officer for Roslyn Savings Bank having worked for that company and Roosevelt Savings Bank for 18 years. His office is at Concordia College, 171 White Plains Road, Bronxville, New York 10708, at which the telephone number is (914) 337-5700, and the fax number is (914) 337-7471.

Eastern District

Mr. Richard G. Porter, born in 1955, has served as LCEF Vice President of the Eastern District since May 2000. Prior to that, he was employed as a senior merchandising manager for the J.C. Penney Company. His office is at 5111 Main Street, Williamsville, New York 14221, at which the telephone number is (716) 634-5111, and the fax number is (716) 634-5452.

English District

Mr. Dale A. Lewis, born in 1947, has served as LCEF Vice President of the English District since June 1998. Prior to that, he was a broker with Paine Weber and a real estate sales agent with Century 21. His office is at 33100 Freedom Road, Farmington, Michigan 48336, at which the telephone number is (248) 476-0039, and the fax number is (248) 476-0188.

#### Florida-Georgia District

Mr. Richard G. Neubauer, born in 1943, has served as Executive Director Finance and Administration for the Florida-Georgia District since 1984. His office is at 7207 Monetary Drive, Orlando, Florida 32809, at which the telephone number is (407) 857-5556, and the fax number is (407) 857-5665.

#### Indiana District

Mr. Lawrence L. Jung, born in 1950, has served as Executive for Finance of the Indiana District since 1975. His office is at 1145 South Barr Street, Fort Wayne, Indiana 46802, at which the telephone number is (260) 423-1511, and the fax number is (260) 423-1514.

#### Iowa District East and Iowa District West

Mrs. Carole L. White, born in 1960, has served as LCEF Vice President since February 1999. Prior to that, she served for 13 years as a cashier at First Community Bank in Newell, Iowa. Her office is at 6428 160th Avenue, Storm Lake, Iowa 50588-7566, at which the telephone is (877) 439-5233.

#### Mid-South District

Mr. Paul Reaves, born in 1965, has served as LCEF Vice President since 1995. Prior to that he served as district business manager from 1991 to 2003. His office is at 1675 Wynne Road, Cordova, Tennessee 38016, at which the telephone number is (901) 373-1343, and the fax number is (901) 373-4826.

#### Minnesota North District

Mr. George Miller, born in 1943, has served as LCEF Vice President and Office Manager of the Minnesota North District since March 1999. Prior to that, he served as a gift planning counselor for the Minnesota North District since March 1995. His mailing address is P.O. Box 604, Brainerd, Minnesota 56401, at which the telephone number is (218) 829-1781, and the fax number is (218) 829-0037.

#### Minnesota South District

Mr. Kurt Fuhr, born in 1960, has served as LCEF Vice President of the Minnesota South District since September 1998. Prior to that, he was a project leader with Residential Funding Corporation. His office is at 14301 Grand Avenue South, Burnsville, Minnesota 55306, at which the telephone number is (952) 223-2163, and the fax number is (952) 435-2581.

#### Missouri District and Southern Illinois District

Mr. Dennis A. Klussman, born in 1960, has served as LCEF Vice President in the Missouri District since March 1998 and also served as LCEF Vice President in the Southern Illinois District since January 2007. Prior to that, he owned and operated a financial planning service. His office is at 660 Mason Ridge Center Drive, Suite 100, St. Louis, Missouri 63141, at which the telephone number is (314) 317-4550, and the fax number is (314) 317-4575.

#### Montana District

Mr. Lyle Grimes, born in 1935, served as LCEF Vice President since May 2006. Prior to that, he served as chairman of Wester-Fed Financial Corp from January 1994 to February 2001 and as president, CEO and chairman of Western Security Bank Systems for 16 years. His office is at 5014 Larch Lane, Missoula, Montana 59802, at which the telephone number is (406) 549-4070.

#### Nebraska District

Mr. Paul S. Pettit, born in 1956, has served as Treasurer and Business Manager of the Nebraska District since August 1991. His office is at 152 S. Columbia Avenue, Seward, Nebraska 68434, at which the telephone number is (402) 643-2961, and the fax number is (402) 643-2990.

#### New England District

Rev. Ingo Dutzmann, born in 1947, has served as the Pastor of First Lutheran Church of Boston, Massachusetts, since September 1997, at which the e-mail address is pastor@flc.org. Prior to that, he served as the pastor of Lutheran Church of the Way in Raynham, Massachusetts. His office is at 24 Laneway Street, Taunton, Massachusetts 02780, at which the telephone number is (508) 386-0771.

#### New Jersey District

Mr. Anthony C. Bracco, born in 1956, has served on the Board of Directors of the New Jersey District and is currently serving as Mission and Ministry Facilitator and as LCEF Vice President. Prior to that, he was a health, safety and environmental affairs manager for Union Carbide Corporation. His office is at 1168 Springfield Avenue, Mountainside, New Jersey 07092, at which the telephone number is (908) 233-8111, and the fax number is (908) 233-3883.

#### North Dakota District

Mr. William Sharpe, born in 1954, has served as District Executive Director since July 1991. Prior to that, he served four years as spiritual life director for the Dakota Boy's and Girl's Ranch in Minot, North Dakota. He has also served as a Lutheran school teacher and principal. His office is at 2601 23rd Avenue S.W., P.O. Box 9029, Fargo, North Dakota 58106-9029, at which the telephone number is (701) 293-9001, and the fax number is (701) 293-9022.

#### North Wisconsin District

Mr. Dennis M. Johnson, born in 1953, served as business manager from September 1992 to June 1998. Prior to that, he was employed by Lutheran Brotherhood as a sales manager. His office is at 3103 Seymour Lane, Wausau, Wisconsin 54401, at which the telephone number is (715) 845-8241, and the fax number is (715) 845-3836.

#### Northern Illinois District

Mr. Lawrence H. Ulrich, born in 1953, has served as LCEF Vice President and the Director of Ministry Advancement since October 2000. Prior to that, he was employed in senior marketing management positions for 29 years with New England Business Service, Inc. of Groton, Massachusetts, and more recently The Malcom Group, Inc. headquartered in Chicago, Illinois. His office is at 214 Deerpath Drive, Oswego, Illinois 60543, at which the telephone number is (630) 551-3374, and the fax number is (630) 551-3380.

#### Northwest District

Mr. Ryan M. McIvor, born in 1961, has served as LCEF District Vice President of the Northwest District since October 2005. Prior to that, he served as the administrative assistant to the District Vice President since April 2004. Prior to that, he was a college instructor for ITT Technical Institute and worked as a systems engineer for ASML (formerly Silicon Valley Group). His office is at 1700 N.E. Knott Street, Portland, Oregon 97212, at which the telephone number is (888) 693-5267, and the fax number is (503) 284-2785.

#### Oklahoma District

Mr. Johnny Barfield, born in 1932, is retired after serving more than 40 years representing Lutheran Brotherhood. His office is at 6535 E 74th Street, Tulsa, Oklahoma 74133, at which the telephone number is (918) 492-3264, and the fax number is (918) 492-8985.

#### Pacific Southwest District

Mr. Gary W. Spencer, born in 1948, has served as LCEF Vice President since July 2005. Prior to that, he spent 30 years in the banking industry, most recently with the Farmers and Merchants State Bank in Napoleon, Ohio. His office is at 1540 Concordia East, Irvine, California 92612, at which the telephone number is (949) 854-3232, and the fax number is (949) 854-8140.

#### Rocky Mountain District

Mr. Gary Johnson, born in 1951, has served as the LCEF Vice President of the Rocky Mountain District since June 2004 and previously as the promotion director since March 2000. Prior to that, he was an independent owner/operator of a supermarket in Fort Morgan, Colorado, for 18 years. His office is at 14334 E. Evans Avenue, Aurora, Colorado 80014-1408, at which the telephone number is (303) 695-8001, and the fax number is (303) 695-4047.

Mr. Kevin Grein, born in 1956, has served as LCEF Vice President, Loans of the Rocky Mountain District since November 2005. Prior to that, he was employed with various companies within the food industry for over thirty years. His office is at 14334 E. Evans Avenue, Aurora, Colorado 80014-1408, at which the telephone number is (303) 695-8001, and the fax number is (303) 695-4047.

#### SELC District

Mr. Robert C. Lange, born in 1935, has served as LCEF Vice President of the SELC District since May 1996. He is a retired senior member of AT&T's information systems staff. His office is at 3242 Edgington Street, Franklin Park, Illinois 60131-2129, at which the telephone and fax number is (847) 678-0482.

#### South Wisconsin District

Mr. Timothy R. Dittloff, born in 1962, has served as LCEF Vice President and Stewardship Coordinator since November 1999. Prior to that, he was the director of the Christian Resource Center of Bethesda Lutheran Homes and Services in Watertown, Wisconsin, from March 1994 to November 1999. His office is at 8100 West Capitol Drive, Milwaukee, Wisconsin 53222, at which the telephone number is (414) 464-8100, and the fax number is (414) 464-0602.

#### Southeastern District

Mr. Stephen Heemann, born in 1952, has served as Chief Financial Officer of the Southeastern District since June 1998. Prior to that, he was a vice president with NationsBank having worked for that company and Maryland National Bank for more than 20 years. His office is at 6315 Grovedale Drive, Alexandria, Virginia 22310-0415, at which the telephone number is (703) 971-9371, and the fax number is (703) 922-6047.

#### Southern Illinois District and Missouri District

Mr. Dennis A. Klussman, born in 1960, has served as LCEF Vice President in the Missouri District since March 1998 and also served as LCEF Vice President in the Southern Illinois District since January 2007. Prior to that, he owned and operated a financial planning service. His office is at 660 Mason Ridge Center Drive, Suite 100, St. Louis, Missouri 63141, at which the telephone number is (314) 317-4550, and the fax number is (314) 317-4575.

#### Wyoming District

Mr. Jeffrey Snyder, born in 1972, has served as LCEF Vice President of the Wyoming District since October 1997 and Wyoming District Business Manager since January 1999. Prior to that, he served as the LCMS Foundation gift planning coordinator for the Wyoming District. Jeffrey also was a claims analyst for the state of Wyoming and the center manager for the Lutheran Campus Center at the University of Wyoming. His office is at 2400 Hickory Street, Casper, Wyoming 82604, at which the telephone number is (307) 265-9000, and the fax number is (307) 234-6629.

## Remuneration

Members of the LCEF Board of Directors do not receive compensation for their services but are reimbursed for expenses incurred in attending board meetings. The President, Senior Vice Presidents, Vice Presidents (other than the Vice Presidents serving in the Member Districts), Assistant Vice Presidents, Director, and the Assistant Secretary are full-time salaried employees of LCEF. During the fiscal year ending June 30, 2008, the persons then serving in those positions received the following remuneration in aggregate, and individually for those person(s) who received total remuneration of \$150,000 or more:

Payee(s)	Salary	Medical Insurance	Disability Insurance	Retirement	Total Remuneration
Aggregate	\$2,344,043	\$199,744	\$ 49,761	\$146,793	\$3,136,641
Mr. Merle Freitag	\$ 171,108	\$ 9,653	\$ 4,092	\$ 11,035	\$ 195,888
Mr. Thomas R. Helfrich	\$ 153,678	\$ 9,653	\$ 3,478	\$ 9,381	\$ 176,190
Mr. Gerald Wendt*	\$ 147,791	\$ 9,653	\$ 3,140	\$ 8,420	\$ 168,176
Mr. Jerome De Beir	\$ 136,216	\$ 10,051	\$ 3,209	\$ 8,656	\$ 158,133
Mr. Glenn Mahnken	\$ 134,815	\$ 11,616	\$ 3,133	\$ 8,447	\$ 158,011
Mr. Jeffery J. Miller	\$ 128,579	\$ 9,653	\$ 3,048	\$ 11,952	\$ 153,233

As of June 30, 2008, LCEF's directors and officers owned Notes aggregating \$2,540,688, which is less than two-tenths of 1% of LCEF's total outstanding Notes payable.

LCEF Vice Presidents serving in Member Districts are not employees of LCEF and do not receive compensation directly from LCEF for their services as such. They are engaged by their respective Districts and paid by them. However, LCEF, as part of its expenses of operation, reimburses the Member Districts for expenses incurred in connection with Church Extension Activities, including all or a portion of the compensation paid to these LCEF Vice Presidents.

No officer of LCEF receives deferred compensation under an employer-sponsored plan. However, all full-time employees of LCEF and of Member Districts are eligible to participate in the Synod's Concordia Plan Services, including the Concordia Retirement Plan and the Concordia Retirement Savings Plan. The amount paid for each employee is 6.2% of compensation. LCEF makes contributions to the Concordia Retirement Savings Plan only on behalf of those employees contributing to this plan.

*\*Retired on April 30, 2008*

## LEGAL MATTERS

The Stolar Partnership LLP, 911 Washington Avenue, St. Louis, Missouri 63101, has given its opinion that the Notes, when issued, will be valid and binding obligations of LCEF in accordance with their terms.

## FURTHER INFORMATION

LCEF has filed certain documents with the appropriate agencies of the various states including certain exhibits and amendments thereto for the offer and sale of the Notes offered hereby. The Offering Circular may not contain all the information so filed, and reference is hereby made to the information so filed for further information, with respect to LCEF and its Notes. Such additional documents are available for inspection at the offices of the applicable state agencies. This Offering Circular speaks as of its date and is subject to change without notice.

## INDEPENDENT AUDITORS

The statements of financial position of LCEF as of June 30, 2008, and 2007, and the related statements of activities and changes in net assets and cash flows for each of the years in the three-year period ended June 30, 2008, included in this Offering Circular have been audited by KPMG LLP, independent accountants, as stated in their report appearing herein.



## **Independent Auditors' Report**

### **The Board of Directors**

#### **Lutheran Church Extension Fund—Missouri Synod:**

We have audited the accompanying statements of financial position of the Lutheran Church Extension Fund—Missouri Synod (the Company) as of June 30, 2008 and 2007, and the related statements of activities and changes in net assets and cash flows for each of the years in the three-year period ended June 30, 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Lutheran Church Extension Fund—Missouri Synod as of June 30, 2008 and 2007, and the results of its operations and its cash flows for each of the years in the three-year period ended June 30, 2008, in conformity with U.S. generally accepted accounting principles.

**KPMG LLP**

St. Louis, Missouri  
August 20, 2008

# LUTHERAN CHURCH EXTENSION FUND—MISSOURI SYNOD

## STATEMENTS OF FINANCIAL POSITION (In Thousands)

### ASSETS

	June 30	
	<u>2008</u>	<u>2007</u>
Cash and cash equivalents .....	\$ 26,066	\$ 20,785
Investments, at fair market value—Note C.....	332,423	239,919
Accrued interest receivable .....	9,293	9,257
Loans receivable—Note D:		
From congregations .....	1,092,976	1,013,922
From Concordia University System, universities and seminaries .....	55,364	49,825
From high school associations, recognized service and auxiliary organizations, and advance site contracts .....	150,113	121,399
From districts.....	43,050	46,864
From rostered church workers.....	122,588	115,567
From others .....	117	167
Total loans receivable.....	<u>1,464,208</u>	<u>1,347,744</u>
Less loan revaluation reserve—Note E.....	15,380	13,168
Less deferred loan fees, net.....	1,067	554
Loans receivable, net.....	1,447,761	1,334,022
Real estate (advance sites) .....	518	697
Deferred charges and other assets—Note F .....	16,959	15,396
Total assets.....	<u>\$1,833,020</u>	<u>\$1,620,076</u>

### LIABILITIES AND NET ASSETS

Accounts payable.....	\$ 4,291	\$ 4,105
Short-term debt—Note G.....	—	20,000
Accrued interest payable .....	127	277
Notes and support dollars payable—Note H:		
Notes payable:		
Demand.....	348,269	325,573
Term.....	<u>1,056,123</u>	<u>906,525</u>
Total notes payable.....	1,404,392	1,232,098
Support dollars payable:		
Demand.....	28,324	28,124
Term.....	<u>138,895</u>	<u>129,641</u>
Total support dollars payable.....	167,219	157,765
Total notes and support dollars payable.....	1,571,611	1,389,863
Bonds payable—Note I.....	82,755	31,625
Commitments and contingencies—Note J		
Net assets—Note B:		
Unrestricted:		
General Loan Fund .....	140,785	137,247
Advance Site Fund .....	16,269	19,805
Specialized Ministry Loan Fund .....	9,638	9,378
Rostered Church Workers Loan Fund .....	3,356	3,608
George Sears Housing Ministry Fund.....	1,837	1,932
Arthur C. Haake World Ministry Fund.....	1,094	997
Total unrestricted net assets .....	172,979	172,967
Restricted:		
Temporarily restricted .....	170	174
Permanently restricted .....	1,087	1,065
Total restricted net assets.....	<u>1,257</u>	<u>1,239</u>
Total net assets .....	<u>174,236</u>	<u>174,206</u>
Total liabilities and net assets.....	<u>\$1,833,020</u>	<u>\$1,620,076</u>

See notes to financial statements.

## LUTHERAN CHURCH EXTENSION FUND—MISSOURI SYNOD

### STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS (In Thousands)

	Year Ended June 30		
	2008	2007	2006
Interest and dividend income:			
Loans, including fees.....	\$ 80,254	\$ 75,933	\$ 67,239
Investments .....	14,309	11,859	10,224
Total interest and dividend income.....	94,563	87,792	77,463
Interest expense:			
Notes and support dollars payable.....	68,002	61,550	51,739
Bonds payable.....	1,746	1,172	962
Line of credit.....	579	471	419
Interest—loan rebates.....	583	694	814
Total interest expense .....	70,910	63,887	53,934
Net interest income .....	23,653	23,905	23,529
Provision for loan revaluation .....	2,320	1,674	(439)
Net interest income after provision .....	21,333	22,231	23,968
Consulting fee income .....	2,142	2,118	1,915
Operating expenses:			
Employee compensation and benefits.....	13,101	12,534	11,936
Data processing.....	1,324	1,312	1,456
Legal and professional services .....	1,110	1,157	940
Investor and loan support services.....	1,572	1,568	1,368
Marketing and research.....	931	840	824
Travel and meetings .....	1,699	1,708	1,879
Occupancy and equipment.....	1,085	1,120	1,146
Other .....	619	714	652
Total operating expenses .....	21,441	20,953	20,201
Net operating income.....	2,034	3,396	5,682
Other income (loss):			
Net (loss) gain on investments.....	(2,511)	8,983	(3,366)
Net rental income—Sunset Office Building .....	241	251	220
Net (loss) gain on real estate and foreclosed assets.....	(73)	2,572	1,124
Bequests and other gifts .....	3,214	2,729	1,020
Other revenues and (expenses) .....	17	(21)	52
Total noninterest income (loss) .....	888	14,514	(950)
Net income .....	2,922	17,910	4,732
Net assets at beginning of year .....	174,206	157,713	154,322
Transfer from member districts .....	—	—	—
Distribution of prior year earnings .....	(2,892)	(1,417)	(1,341)
Net assets at end of year.....	\$174,236	\$174,206	\$157,713

See notes to financial statements.

# LUTHERAN CHURCH EXTENSION FUND—MISSOURI SYNOD

## STATEMENTS OF CASH FLOWS (In Thousands)

	Year Ended June 30		
	2008	2007	2006
Cash flows from operating activities:			
Net income .....	\$ 2,922	\$ 17,910	\$ 4,732
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for loan revaluation .....	2,320	1,674	(439)
Provision for depreciation and amortization .....	1,070	1,140	1,110
Net loss (gain) on investments.....	2,511	(8,983)	3,366
Net loss (gain) on real estate and foreclosed assets.....	73	(2,572)	(1,124)
Net increase in accrued interest receivable.....	(36)	(1,977)	(18)
Net increase in deferred charges and other assets .....	(884)	(211)	(521)
Net (decrease) increase in accrued interest payable .....	(150)	38	(14)
Net increase (decrease) in accounts payable .....	186	(85)	545
Net amortization (accretion) of securities.....	189	(254)	(11)
Amortization of deferred loan fees, net.....	(496)	(371)	—
Other, net.....	(50)	(30)	(13)
Net cash provided by operating activities .....	7,655	6,279	7,613
Cash flows from investing activities:			
Proceeds from sales of investment securities.....	239,905	311,877	451,312
Proceeds from maturities of investment securities .....	32,670	36,513	39,647
Purchases of investment securities .....	(367,778)	(358,507)	(453,459)
Proceeds from payments on loans.....	128,664	141,730	116,105
Disbursements on loans.....	(245,885)	(252,636)	(221,986)
Proceeds from sale of real estate and foreclosed assets.....	423	4,436	5,081
Purchases of real estate and capitalized expenses .....	(16)	(375)	(54)
Purchases of premises and equipment.....	(343)	(505)	(276)
Other, net.....	—	(60)	—
Net cash used in investing activities.....	(212,360)	(117,527)	(63,630)
Cash flows from financing activities:			
Proceeds from sales of notes and support dollars payable .....	574,776	417,828	390,871
Redemptions of notes and support dollars payable.....	(449,486)	(371,460)	(365,617)
Reinvested interest on notes and support dollars payable .....	56,458	50,949	42,729
Proceeds from issuance of short-term debt.....	60,000	55,000	77,500
Repayment of short-term debt .....	(80,000)	(35,000)	(77,500)
Proceeds from issuance of bonds payable.....	52,175	—	—
Repayment of bonds payable .....	(1,045)	(800)	(715)
Distribution of prior year earnings .....	(2,892)	(1,417)	(1,341)
Net cash provided by financing activities.....	209,986	115,100	65,927
Net change in cash and cash equivalents.....	5,281	3,852	9,910
Cash and cash equivalents at beginning of year.....	20,785	16,933	7,023
Cash and cash equivalents at end of year .....	\$ 26,066	\$ 20,785	\$ 16,933

See notes to financial statements.

# LUTHERAN CHURCH EXTENSION FUND—MISSOURI SYNOD

## NOTES TO FINANCIAL STATEMENTS

June 30, 2008, 2007 and 2006

### Note A — Organization

The Lutheran Church Extension Fund—Missouri Synod (LCEF) was organized on October 1, 1978, as part of an overall plan to restructure the national and district church extension activities within The Lutheran Church—Missouri Synod (LCMS). LCEF was formed for religious, educational, and charitable purposes, including financing the acquisition of sites and the construction of facilities to aid expansion for effective programs of ministry, witness, outreach, and service. During the year ended June 30, 1981, the church extension funds of LCMS districts operating within the United States were first given the opportunity to transfer into LCEF.

LCEF is managed by a 12-member Board of Directors that establishes and monitors LCEF's policies. Members of LCEF elect eight of the directors, and LCMS's voting members elect three of the directors during their triennial conventions. The Vice-President—Finance-Treasurer of LCMS is the nonvoting twelfth Board member. Each Board member's term of office is three years, with a maximum of four consecutive terms. The President of LCMS, or a representative, may attend any Board meeting. A chairman, vice chairman, and secretary are elected annually. The President, as the Chief Executive Officer, has general management and supervision of LCEF's business and is elected annually by the Board. Each of the 28 LCMS districts that have transferred into LCEF (Member Districts) is represented by a vice-president who is nominated by the district and elected by a vote of the Board.

LCEF is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and is exempt from federal income tax on its related exempt activities under Code Section 501(a). LCEF is specifically included in the group exemption ruling issued by the Internal Revenue Service to LCMS.

### Note B — Significant Accounting Policies

*Basis of Presentation:* The financial statements have been prepared on the accrual basis of accounting. For administrative purposes, six Board-designated funds have been established to internally account for certain types of transactions; however, for reporting purposes, the assets, liabilities, and operations have been combined. The six funds are summarized below:

The General Loan Fund accounts for the general operations of LCEF.

The Advance Site Fund accounts for purchases of unimproved real property, which will be utilized for the construction of anticipated church facilities should LCMS congregations be developed within the area as identified. Investments in advance sites are recorded at the lower of carrying amount or fair value less cost to sell. The fund has allocated \$11 million to its Mission Site Program. The program's loans are written with an interest rate of one-percent, over a five-year term, with interest accrued during the term of the loan. The Mission Planting Program has also been established within the Advance Site Fund. This program will derive its capital from restricted donations and from an allocation of LCEF's operating results. Capital may also be made available through Mission Site Program loans at an interest rate of one percent. Mission Planting loans are written with an annually adjusted interest rate equal to LCEF's cost of funds with a three-year term and interest accrued during the term of the loan.

The Specialized Ministry Loan Fund accounts for loans made to ministries with low or no income potential. These loans are written at an interest rate equal to LCEF's cost of funds, adjusted annually, and are made for one 5-year period with a 20-year amortization.

The Rostered Church Workers Loan Fund accounts for loans made to LCMS professional church workers for housing and debt consolidation purposes. The fund was established from General Loan Fund resources in response to the request of the LCMS and as approved in the 1998 triennial LCMS convention.

The George Sears Housing Ministry Fund accounts for loans made to community-based organizations for new and existing low-income housing projects. The fund was established with resources from the Specialized Ministry Loan Fund and LCMS.

The Arthur C. Haake World Ministry Fund accounts for loans that help LCMS partner churches around the world fund immediate, short-term, and long-term needs and assist their new ministries with initial funding. Loan requests come to LCEF through the LCMS Board for Mission Services.

*Revenue Recognition:* Contributions are recognized as revenue when they are received or unconditionally pledged. Conditional promises to give, which depend upon specified future and uncertain events, are recognized as revenue when the conditions upon which they depend are substantially met.

*Unrestricted Net Assets:* Net assets and contributions not subject to donor-imposed stipulations are classified as unrestricted net assets. This classification includes Board-designated funds, net realized gains (losses) on investments and interest and dividend income on permanently restricted endowments that are not stipulated by the donor or law for permanent reinvestment.

*Temporarily Restricted Net Assets:* Net assets and contributions subject to donor-imposed stipulations that will be met by the passage of time or future actions are classified as temporarily restricted net assets. After the donor-imposed time or purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported within the statement of activities as net assets released from restrictions.

*Permanently Restricted Net Assets:* Net assets and contributions subject to donor-imposed stipulations that they be maintained permanently by LCEF are classified as permanently restricted net assets.

(continued)

# LUTHERAN CHURCH EXTENSION FUND—MISSOURI SYNOD

## NOTES TO FINANCIAL STATEMENTS

June 30, 2008, 2007 and 2006

*Administrative Services:* Certain administrative services totaling \$477,000, \$459,000, and \$363,000 for the years ended June 30, 2008, 2007 and 2006, respectively, were purchased from LCMS and LCMS Foundation.

*Building, Equipment, and Computer Software:* Building, equipment, and computer software are included in deferred charges and other assets at cost, less accumulated depreciation and amortization. Depreciation is provided over the estimated useful lives of the respective assets which range from 3 to 30 years by the straight-line method. Purchased software costs are amortized over their estimated useful lives which range from three to five years by the straight-line method.

*Investment Securities:* Investment securities are carried at fair market value with gains and losses recognized in the statements of activities and changes in net assets as net gain or loss on investments. Interest and dividends net of related fees are accrued and credited to income when earned.

*Operating Results:* Portions of each year's operating results may be distributed in the following year as grants to Member Districts and LCMS for activities related to church extension. The distributions, which are based upon the districts' and overall operating results, are recorded in the subsequent year when they are requested to fund the activity. Distributions are treated as net asset transactions rather than operating expenses in the current year.

*Interest on Loans:* Interest income on loans is accrued and credited to income based on the principal amount outstanding. The accrual of interest income is discontinued when, in management's judgment, the interest may not be collectible within the normal terms of the loan. Additionally, the accrual of interest income is normally discontinued on loans to congregations that are 365 days delinquent, on loans to recognized service organizations, high schools, and contracts receivable which are 180 days delinquent, and on loans to rostered church workers which are 90 days delinquent. Interest income is recognized on a cash basis for nonaccrual loans with subsequent payments applied first to interest and fees. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

The mission of LCEF and its relationship with its borrowers is unlike that of a commercial lender. Therefore, LCEF may be more willing to accept partial, deferred or late payments; and may agree to capitalize accrued interest as part of a loan restructuring.

Loan fees and certain direct loan origination costs are deferred, and the net fee or cost is recognized as an adjustment to interest income using the interest method over the contractual life of the loans.

*Loan Revaluation Reserve:* The loan revaluation reserve is increased by provisions for losses charged to expense and reduced by loans charged off, net of recoveries. The reserve is maintained at a level considered adequate to provide for probable loan losses based on management's evaluation of the anticipated impact on the loan portfolio of current economic conditions, changes in the character and size of the portfolio, past loan loss experience, probable future loan losses on loans to specific borrowers, changes to the credit rating assigned to each loan and the financial condition of the borrower, and other pertinent factors that management believes require current recognition in estimating probable loan losses. Specific reserves are established for any impaired loan for which the recorded investment in the loan exceeds the measured value of the loan.

A loan is considered impaired when it is placed on nonaccrual status or restructured. Restructured loans are no longer considered impaired after remaining current for a 12-month period following the date of restructure. A loan is also considered impaired when, based on current information and events, it is probable that LCEF will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Impairment is measured on a loan-by-loan basis by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price, or the fair value of the collateral if the loan is collateral dependent.

*Foreclosed Assets:* Assets acquired through, or in lieu of, loan foreclosure are held for sale and are initially recorded at fair value less estimated selling costs at the date of foreclosure, establishing a new cost basis. Subsequent to foreclosure, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less cost to sell. Revenue and expenses from operations and changes in the valuation allowance are included in net gain or loss on real estate and foreclosed assets.

*Cash Equivalents:* For the purposes of the statements of cash flows, highly liquid investments with a maturity of three months or less at the date of acquisition generally are considered to be cash equivalents.

*Guarantees:* At the inception of a guarantee, LCEF recognizes a liability for the fair value of the obligation undertaken. LCEF amortizes this initial liability over the term of the guarantee on a straight-line basis.

*Use of Estimates:* The presentation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amount reported in the financial statements and accompanying Notes. Actual results could differ from those estimates.

*Reclassifications:* Certain amounts in the financial statements for the years ended June 30, 2007 and 2006 have been reclassified to conform to the current year presentation. Such reclassifications had no effect on previously reported net assets or net income.

*New Accounting Pronouncements:* During fiscal year 2008, the LCEF adopted the Financial Accounting Standards Board's Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement attributes. The adoption of FIN 48 did not have a material impact on the financial statements of LCEF.

(continued)

# LUTHERAN CHURCH EXTENSION FUND—MISSOURI SYNOD

## NOTES TO FINANCIAL STATEMENTS

June 30, 2008, 2007 and 2006

### Note C — Investments

	(In Thousands)	
	June 30	
	<u>2008</u>	<u>2007</u>
Fixed Income Investment Fund:		
Asset and Mortgage Backed Securities.....	\$127,810	\$88,944
U.S. Government Agency Bonds.....	73,245	43,223
Corporate Bonds.....	27,272	12,481
U.S. Treasury Securities.....	5,592	5,494
Municipal Bonds.....	1,785	342
Total Fixed Income Investment Fund.....	<u>235,704</u>	<u>150,484</u>
UBS Equity Portfolio.....	66,453	56,176
UBS Fixed Income Portfolio.....	29,018	32,028
Other .....	1,248	1,231
	<u>\$332,423</u>	<u>\$239,919</u>

The UBS Equity Portfolio is a discrete portfolio utilizing selected investment managers. The portfolio is diversified through two levels of asset allocation consisting of broad asset class diversification and style diversification. Asset class diversification consists of the following classes and relative target percentages of the total: non-U.S. equities (44%), large capitalization U.S. (31%), small/mid capitalization U.S. (13%), and natural resources (12%). Style diversification consists of a blending of value and growth investment styles within each asset class with a bias toward the value style.

The UBS Fixed Income Portfolio consists of several mutual bond funds that utilize selected investment managers seeking to outperform specific bond indices either through a total return strategy that emphasizes current income and price appreciation or a disciplined quantitative process to manage portfolio duration based on a multi-factor model that produces a monthly outlook for the bond market.

LCEF participates directly in a securities lending program whereby securities in LCEF's Fixed Income Investment Fund are loaned to select established brokerage firms for a fee. The purpose of this program is to increase investment income by lending securities at the highest premiums available. Although on loan, these securities are reflected in LCEF's statements of financial position, and, generally, the same securities are returned to LCEF at the termination of the loans. All securities loaned are fully collateralized by irrevocable bank letters of credit, securities issued, or cash. The loaned securities and collateral are priced daily, by the investment custodian, to ensure that the collateral exceeds the market value of securities on loan.

At June 30, 2008 and 2007, the market value of securities on loan under the securities lending program totaled approximately \$28,612,000 and \$26,025,000, respectively. In the event of nonperformance by the other parties to the securities lending program, or decline in market value of securities on loan, LCEF could be exposed to some loss. Based on the historical performance of the securities lending program, LCEF does not anticipate nonperformance by the counterparties. Net revenue from the securities lending program was \$67,000 and \$14,000 for the fiscal years ended June 30, 2008 and 2007, respectively.

### Note D — Loans Receivable

Generally, loans are written with a 20-year initial amortization period and have a fixed interest rate for either a 5-year or 10-year term or an adjustable rate for a 20-year term. Adjustable rate loans adjust monthly except congregational loans of less than \$2,000,000, which may adjust either quarterly or annually. The interest rate is based on LCEF's cost of funds plus a margin of 1% to 3%, depending on the type of loan. As of both June 30, 2008 and 2007, 96% of total loans receivable were secured by either collateral or LCMS loan guarantees.

Loans to Concordia University System (CUS), universities and seminaries were as follows:

	(In Thousands)	
	June 30	
	<u>2008</u>	<u>2007</u>
Concordia University System.....	\$43,270	\$37,039
Universities and seminaries.....	<u>12,094</u>	<u>12,786</u>
	\$55,364	\$49,825

(continued)

# LUTHERAN CHURCH EXTENSION FUND—MISSOURI SYNOD

## NOTES TO FINANCIAL STATEMENTS

**June 30, 2008, 2007 and 2006**

Approximately 66% and 62% of the loans to CUS and to universities and seminaries as of June 30, 2008 and 2007, respectively, were guaranteed by LCMS.

Loans to high school associations, recognized service and auxiliary organizations, and advance site contracts were as follows:

	(In Thousands)	
	June 30	
	<u>2008</u>	<u>2007</u>
High school associations .....	\$ 86,120	\$ 64,082
Recognized service and auxiliary organizations .....	63,068	56,372
Advance site contracts .....	<u>925</u>	<u>945</u>
	<u>\$150,113</u>	<u>\$121,399</u>

### Note E — Loan Revaluation Reserve

LCEF provides a reserve for probable loan losses. It is management's opinion that the amount reserved is adequate to provide for probable losses and that past due amounts will not affect LCEF's ability to satisfy its obligations.

The activity in the loan revaluation reserve was as follows:

	(In Thousands)		
	June 30		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Beginning balance .....	\$13,168	\$11,531	\$12,227
Provision for loan revaluation .....	2,320	1,674	(439)
Charge-offs .....	<u>(108)</u>	<u>(37)</u>	<u>(257)</u>
Ending balance .....	<u>\$15,380</u>	<u>\$13,168</u>	<u>\$11,531</u>

The following is a summary of information pertaining to impaired loans:

	(In Thousands)	
	June 30	
	<u>2008</u>	<u>2007</u>
Impaired loans without a valuation allowance .....	\$14,176	\$11,195
Impaired loans with a valuation allowance .....	<u>38,276</u>	<u>6,031</u>
Total impaired loans .....	<u>\$52,452</u>	<u>\$17,226</u>
Valuation allowance related to impaired loans .....	<u>\$ 8,259</u>	<u>\$ 1,366</u>
Total non-accrual loans (included in total impaired loans above) .....	<u>\$41,199</u>	<u>\$ 3,061</u>
Total loans past 90 days (RCW), 180 days (RSOs, high schools, contracts receivable), and 365 days (congregations) or more and still accruing .....	<u>\$ 191</u>	<u>\$ 80</u>
Average investment in impaired loans .....	<u>\$51,990</u>	<u>\$17,185</u>
Interest income recognized on impaired loans .....	<u>\$ 435</u>	<u>\$ 231</u>
Interest income recognized on a cash basis on impaired loans .....	<u>\$ 297</u>	<u>\$ 151</u>

During the years ended June 30, 2008 and 2007, LCEF restructured loans with payments over 90 days past due whose principal balances amounted to \$1,757,000 and \$12,787,000, respectively, or 0.1% and 1% of the loan portfolio at the beginning of those respective fiscal years. In connection with these restructurings, interest totaling \$172,000 and \$1,067,000, respectively, was capitalized.

(continued)



# LUTHERAN CHURCH EXTENSION FUND—MISSOURI SYNOD

## NOTES TO FINANCIAL STATEMENTS

June 30, 2008, 2007 and 2006

### Note F — Deferred Charges and Other Assets

	(In Thousands)	
	June 30	
	<u>2008</u>	<u>2007</u>
Sunset office building (net of accumulated depreciation of \$5,307,000 and \$4,670,000, respectively)	\$ 6,813	\$ 7,201
Foreclosed assets (net of valuation allowance of \$277,000 and \$121,000, respectively)	3,204	1,798
Pledges receivable	2,876	1,295
Computer software (net of accumulated amortization of \$2,122,000 and \$1,847,000, respectively)	460	696
Sunset office land	829	829
Other	<u>2,777</u>	<u>3,577</u>
	<u>\$16,959</u>	<u>\$15,396</u>

Depreciation and amortization expense aggregated to \$1,070,000, \$1,140,000, and \$1,110,000 for fiscal years 2008, 2007, and 2006, respectively.

### Note G — Short-term Debt

LCEF has entered into line-of-credit agreements totaling \$100,000,000, which are secured by certain investments. An amount of \$60,000,000 is available through an agreement with UMB Bank that expires during October 2008, and LCEF expects to either renew or replace the agreement as it expires. At June 30, 2008 and 2007, LCEF had an outstanding balance drawn against this line of credit of \$0 and \$20,000,000, respectively. The interest rate as of June 30, 2007 was 5.875%. LCEF has also obtained a secured line of credit with UBS Financial Services in the amount of \$40,000,000 for an indeterminate period. LCEF had no outstanding balance drawn against this line of credit at either June 30, 2008 or 2007.

### Note H — Notes and Support Dollars Payable

Demand notes payable primarily consist of demand and StewardAccount™ certificates. Interest is paid either periodically or accumulates and is accrued at a variable interest rate.

Term notes payable consist of certificates with various maturities ranging from 90 days to 20 years. Interest is paid either periodically or accumulates and is accrued at either a fixed interest rate or a variable interest rate.

The interest rate for each note or certificate is established within a certain interest rate range for comparable investments having similar terms, as described in the LCEF Offering Circular.

Support Dollars are an arrangement for LCMS corporations to invest funds with LCEF on a demand or term basis.

The Support Dollars payable balances of nonmember districts, Member Districts, and other LCMS entities were as follows:

	(In Thousands)	
	June 30	
	<u>2008</u>	<u>2007</u>
Nonmember Districts	\$ 92,350	\$ 78,314
LCMS entities	34,543	40,555
Member Districts	<u>40,326</u>	<u>38,896</u>
	<u>\$167,219</u>	<u>\$157,765</u>

Scheduled maturities of notes and support dollars payable, as of June 30, 2008, follow:

(continued)

# LUTHERAN CHURCH EXTENSION FUND—MISSOURI SYNOD

## NOTES TO FINANCIAL STATEMENTS

June 30, 2008, 2007 and 2006

<u>Year Ending June 30,</u>	<u>Support Dollars</u>	<u>(In Thousands)</u>	
		<u>Notes Payable</u>	<u>Total</u>
Demand .....	\$ 28,324	\$ 348,269	\$ 376,593
2009.....	46,967	182,013	228,980
2010.....	43,719	551,223	594,942
2011.....	16,167	103,217	119,384
2012.....	24,401	108,887	133,288
2013.....	7,641	60,639	68,280
After 2013.....	—	50,144	50,144
	<u>\$167,219</u>	<u>\$1,404,392</u>	<u>\$1,571,611</u>

### Note I — Bonds Payable

In July 2004, LCEF borrowed from the Missouri Health and Education Facilities Authority (MOHEFA) the proceeds of its \$33,140,000 variable rate demand educational facilities revenue bonds. LCEF reloaned the bond proceeds to eight High School Associations (HSA) and one Recognized Service Organization (RSO) of the LCMS. The bond indenture specifies monthly payments of interest and annual payments of principal over a 25-year amortization period. The daily variable interest rate at June 30, 2008 was 1.87%.

In July 2007, LCEF completed a second borrowing from the MOHEFA of its \$32,650,000 variable rate demand education facilities revenue bonds. The proceeds from the second borrowing were reloaned to seven HSAs and two RSOs of the LCMS. The bond indenture specifies monthly payments of interest and annual payments of principal over a 30-year amortization period. The daily variable interest rate at June 30, 2008 was 2.07%.

In April 2008, LCEF borrowed from Colorado Educational and Cultural Facilities Authority (CECFA) the proceeds of its \$19,525,000 variable rate demand education facilities bonds. LCEF reloaned the bond proceeds to two elementary schools and one HSA. The bond indenture specifies monthly payments of interest and annual payments of principal over a 30-year amortization period. The daily variable interest rate at June 30, 2008 was 1.87%.

Under the terms of each bond indenture, LCEF is required to maintain a letter of credit in full force and effect in an amount equal to the principal amount of the outstanding bonds plus the amount required for interest thereon until all of the bonds in the related issuance have been paid in full. To meet this requirement LCEF has entered into letter of credit and reimbursement agreements with commercial banks. In certain events of default, LCEF's mortgage security interest in the assets of the entities that have borrowed from LCEF the proceeds of the tax-exempt bonds would be subordinate to the credit bank's mortgage securing the letter of credit reimbursement agreement supporting the bonds.

The scheduled payments of principal are as follows:

<u>Year Ending June 30,</u>	<u>(In Thousands)</u>			
	<u>MOHEFA 2004 Issue</u>	<u>Bond Principal Due</u>		<u>Total</u>
		<u>MOHEFA 2007 Issue</u>	<u>CECFA</u>	
2009.....	\$ 840	\$ 460	\$ 75	\$ 1,375
2010.....	995	465	200	1,660
2011.....	1,030	490	315	1,835
2012.....	1,060	520	340	1,920
2013.....	1,095	550	360	2,005
After 2013 .....	25,560	30,165	18,235	73,960
	<u>\$ 30,580</u>	<u>\$ 32,650</u>	<u>\$ 19,525</u>	<u>\$ 82,755</u>

### Note J — Financial Instruments With Off-Balance-Sheet Risk

At June 30, 2008 and 2007, commitments have been authorized to make additional church extension loans amounting to approximately \$236,424,000 and \$243,753,000, respectively. These commitments relate to real estate mortgages which, if funded, would be collateralized by the related properties. Loan commitments expire one year from the date of origination, and the resulting loans carry either an adjustable or fixed interest rate. Adjustable interest rate loans carry an interest rate that is the lower of the rate at the loan approval date, the commitment date, or the closing date. Fixed rate loans carry the prevailing interest rate at the date of closing. Additionally, at June 30, 2008 and 2007, line-of-credit commitments, primarily

(continued)

# LUTHERAN CHURCH EXTENSION FUND—MISSOURI SYNOD

## NOTES TO FINANCIAL STATEMENTS

**June 30, 2008, 2007 and 2006**

to LCMS, districts, and CUS, have been authorized amounting to \$57,517,000 and \$54,328,000, respectively, against which \$19,963,000 and \$11,944,000 had been drawn, respectively. Line-of-credit commitments are renegotiated at least once every five years.

The above commitments are subject to the same underwriting standards as loans issued by LCEF. Management does not anticipate any significant losses as a result of the above commitments.

LCEF has entered into loan guarantee agreements on behalf of several universities and high schools of the LCMS. As of June 30, 2008, LCEF had outstanding loan guarantee agreements which expire during August 2010 or before with maximum undiscounted payments that could be required of LCEF totaling \$68,218,000 and liabilities related to the fair value of the guarantees totaling \$459,000 on behalf of the following institutions:

	<b>Maximum Undiscounted Amount of Potential Future Payment by LCEF</b>	<b>(In Thousands) Liability Related to Fair Value of Guarantee</b>	<b>Expiration Date of Guarantee</b>
Colorado LHSA—Denver, CO .....	\$ 14,717	\$ 138	Mar. 2009
Concordia University—Irvine .....	12,000	21	Sep. 2008
Immanuel Lutheran School—Loveland, CO....	9,250	87	Mar. 2009
Concordia University—Portland.....	8,587	21	Jan. 2009
Concordia University—Irvine .....	6,359	12	Sep. 2008
Concordia University—St. Paul .....	6,110	151	Aug. 2010
Wider Omaha LSA—Omaha, NE .....	4,941	5	Sep. 2008
Lincoln Lutheran Jr/Sr—Lincoln, NE .....	3,565	4	Sep. 2008
Concordia University—St. Paul .....	2,689	20	Mar. 2009
	<u>\$ 68,218</u>	<u>\$ 459</u>	

In the event LCEF is required to perform under these guarantees, the resulting indebtedness to LCEF would be secured by property liens. Additionally, the LCMS has guaranteed \$6,500,000 of the Concordia University—Irvine debt. At June 30, 2008 and 2007, no loss contingency accrual had been made as any risk of loss was not determined to be probable.

The loan guarantee agreements are expected to be renewed for successive periods to the extent that the guaranteed letter of credit agreements are renewed.

### **Note K — Cash Flows**

During 2008, 2007 and 2006, loans totaling \$1,843,000, \$1,140,000 and \$216,000, respectively, were transferred to real estate and other assets. Interest paid on notes and support dollars payable and borrowed funds was \$70,477,000, \$63,155,000 and \$53,134,000 for 2008, 2007 and 2006, respectively.

### **Note L — Fair Values of Financial Instruments**

Statement of Financial Accounting Standard (SFAS) No. 107, “Disclosures About Fair Value of Financial Instruments,” requires disclosure of fair value information about financial instruments, whether or not recognized in the statements of financial position, for which it is practicable to estimate fair value.

Fair values for financial instruments are estimates of the values at which the instruments could be exchanged in a transaction between willing parties. These estimates are subjective and may vary significantly from amounts that would be realized in actual transactions. In addition, certain financial instruments and all nonfinancial instruments are excluded from the fair value disclosure requirements of SFAS No. 107. Therefore, the fair values presented should not be construed as the underlying value of LCEF.

The following methods and assumptions were used in estimating fair value disclosures for financial instruments as required by SFAS No. 107:

(continued)

# LUTHERAN CHURCH EXTENSION FUND—MISSOURI SYNOD

## NOTES TO FINANCIAL STATEMENTS

**June 30, 2008, 2007 and 2006**

*Cash and cash equivalents:* The carrying amounts reported in the statements of financial position for cash and short-term instruments approximate those assets' fair values.

*Investments:* Investment securities are reported in the statements of financial position at fair value based on quoted market prices where available. If quoted market prices were not available, fair values were based upon quoted market prices of comparable instruments.

*Loans receivable:* For adjustable rate loans, fair values are based on carrying values because they reprice at least annually. The fair values of fixed rate loans are estimated using discounted cash flow analyses. Interest rates currently being offered for similar types of loans and terms are used for discounting purposes.

*Short-term debt:* The fair value of short-term debt is based on carrying value because the interest rate is adjusted daily.

*Notes and support dollars payable:* The carrying amounts for demand and variable rate term notes and support dollars approximate their fair values at the reporting date. Fair values for fixed rate notes are estimated using a discounted cash flow calculation that applies interest rates currently being offered on similar notes to a schedule of aggregated expected yearly maturities.

*Bonds payable:* The fair value of bonds payable is based on carrying value because the interest rate is adjusted daily.

*Accrued interest receivable and payable:* The carrying amounts of accrued interest approximate fair value.

The estimated fair values of LCEF's financial instruments were as follows:

	(In Thousands)			
	June 30			
	2008		2007	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial assets:				
Cash and cash equivalents .....	\$ 26,066	\$ 26,066	\$ 20,785	\$ 20,785
Accrued interest receivable .....	9,293	9,293	9,257	9,257
Investments .....	332,423	332,423	239,919	239,919
Loans receivable.....	1,447,761	1,459,993	1,334,022	1,327,109
	(In Thousands)			
	June 30			
	2008		2007	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Accrued interest payable .....	\$ 127	\$ 127	\$ 277	\$ 277
Short-term debt .....	—	—	20,000	20,000
Notes and support dollars payable .....	1,571,611	1,603,560	1,389,863	1,394,298
Bonds payable .....	82,755	82,755	31,625	31,625

### Note M — Pension Expense

LCEF participates in the Concordia Plan Services of LCMS. Substantially all full-time employees are covered by these plans. LCEF contributes a fixed percentage of each participant's salary to the Concordia Retirement Plan and the Concordia Disability and Survivorship Plan. Retirement program expense was \$448,000, \$389,000 and \$304,000, and disability program expense was \$154,000, \$153,000 and \$141,000 for the years ended June 30, 2008, 2007 and 2006, respectively.

## PRIVACY POLICY

### WHAT YOU SHOULD KNOW

LCEF recognizes the importance of keeping information about you secure and confidential. It's important for you to know that, unlike many financial institutions, we do not sell or share any consumer's nonpublic personal information with outside marketers. You also need to know that we carefully manage information you provide to give you better service and more convenience.

This document describes LCEF's policy with respect to nonpublic personal information about consumers, which means personally identifiable information about a consumer or a consumer's current or former relationship with LCEF ("Consumer Information"). This policy is provided to you as required by federal law.

### MAKING THE SECURITY OF INFORMATION A PRIORITY

Keeping financial information secure is important. We value your trust and handle information about you with care. We limit access to Consumer Information to those persons who need to know that information to provide LCEF's investment products and services to you. LCEF personnel and LCEF's service providers having access to Consumer Information are required by LCEF to maintain confidential treatment of Consumer Information.

We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard Consumer Information. We periodically assess new technology for protecting information and upgrading our systems when appropriate.

### COLLECTING INFORMATION

We collect and use various types of information to service your investment and loan accounts. This enables us to help you learn more about investment and other products and services that may be of interest to you.

We collect Consumer Information from the following sources:

1. Information you provide to us on applications and through other means, such as your name, address, and telephone number.
2. Information about your transactions and account experience with us, such as your account balance, your loan payment history, and your account activity.
3. Information from a consumer report, such as information regarding your creditworthiness or credit history. (This currently applies only to rostered church worker loan applicants or borrowers and to StewardAccount® and FlexPlus Certificate investors who have applied for or have a check card.)
4. Information from other sources such as employers, creditors, insurers, or other third parties. (This applies only to rostered church workers who have applied for or have a residential or consumer loan with LCEF.)
5. Other general information we obtain about you, such as demographic information.

### DISCLOSURE OF CONSUMER INFORMATION

Although we do not share Consumer Information with outside marketers, we do share information in certain circumstances as outlined below. We do this to provide you with our products and services with greater convenience and more choices and also as permitted by law. However, we do limit who receives Consumer Information and what type of information is shared.

#### Sharing Information With Companies That Work For Us

We may disclose the Consumer Information we collect, as described above, to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements. We also may disclose Consumer Information to third-party service providers as necessary to process, service, and provide access to your investment and loan accounts with LCEF in a manner that promotes a good customer experience.

The companies that work on our behalf are contractually obligated to LCEF to keep the Consumer Information we provide to them confidential and to use the Consumer Information only to provide the services we've asked them to perform for you and us.

#### Disclosing Information In Other Situations

We may also disclose Consumer Information to credit bureaus and similar organizations, and otherwise when permitted by law. For example, this may include:

- A disclosure in connection with a subpoena or similar legal process.
- A fraud investigation.
- Recording of deeds of trust and mortgages in public records.
- An audit or examination.

### MAKING SURE INFORMATION IS ACCURATE

Keeping your account information accurate and up-to-date is very important. We provide you with access to your investment or loan account information through various means such as account statements and online through *MyAccount*.

If you have questions or feel that we have not handled information about you properly, please contact us through our Investment Service Center.

### KEEPING UP-TO-DATE WITH OUR PRIVACY STATEMENT

LCEF will provide notice of our privacy statement annually, as long as you maintain an ongoing relationship with us. This policy may change from time to time, but you can always review our current policy at [www.lcef.org](http://www.lcef.org) or contact us for a copy at 1-800-843-5233.

For information about our online privacy practices, please visit our Web site at [www.lcef.org](http://www.lcef.org).

## LCEF INVESTMENT APPLICATION—RULES AND REGULATIONS

### Section A—Checkwriting Agreement

UMB Bank, n.a. complies with Section 326 of the USA Patriot Act, which requires it to verify certain information about persons who obtain Checkwriting services for persons who enter custodial relationships with the Bank.

Each person applying for and signing as an owner of an LCEF StewardAccount® on an LCEF Investment Application or as an owner of an LCEF FlexPlus Certificate on an LCEF Health Savings Account Application (“an Applicant”) certifies that his or her signature thereon represents such Applicant’s legal signature and guarantees the genuineness of all other Applicant’s signatures.

Each Applicant authorizes LCEF and UMB Bank, n.a. or its bank affiliates (collectively, the “Bank”) and any of their successors to recognize such signatures in the payment of checks and other instruments (“Checks”) as they appear on the LCEF Investment Application in Step 4—Signature or on the LCEF Health Savings Account Application.

Each Applicant plus any person designated by the Applicant (“Authorized User”) authorizes the redemption of funds through checkwriting. Each Applicant and Authorized User further agrees to be bound to the terms and conditions for checkwriting (the “Terms”) contained herein, the checkwriting rules accompanying the account certification letter, the charges set forth in LCEF’s current Offering Circular for each LCEF StewardAccount® Certificate or for each LCEF FlexPlus Certificate, and by any other agreement governing the StewardAccount® or the FlexPlus Certificate as may be amended and in effect from time to time. Each Applicant and Authorized User agrees to be bound by amendments to the Terms, checkwriting rules, charges set forth in LCEF’s Offering Circular, and any other agreement governing the StewardAccount® or the FlexPlus Certificate made by the Bank or LCEF when notices of such changes are received. Each Applicant and Authorized User understands that LCEF’s approval of the StewardAccount Checkwriting Application or the FlexPlus Certificate is subject to verification and investigation and that neither the StewardAccount® or the FlexPlus Certificate is an FDIC-insured bank deposit account.

Each Applicant hereby appoints the Bank as Applicant’s agent, and as agent, is authorized and directed upon presentment of StewardAccount® or FlexPlus Certificate Checks to the Bank to transmit such Checks to LCEF as requests to redeem amounts invested in the StewardAccount® or the FlexPlus Certificate. The Applicant agrees that the Bank may honor electronic payments to or from the StewardAccount® or the FlexPlus Certificate as authorized by the Applicant and Authorized User, when such payments are processed in accordance with the law and the applicable payment system rules. Applicant and Authorized User agrees that additional amounts added to the StewardAccount® or the FlexPlus Certificate by Check may require seven (7) days’ written notice of an intended redemption and may require that invested funds not be redeemed for up to seven (7) days. Each Applicant and Authorized User authorizes the Bank to effect redemptions to defray the Bank’s charges relating to this Checkwriting Agreement. The Applicant and Authorized User agrees that payments made in accordance with this Agreement are governed by the laws, including the Uniform Commercial Code as enacted in the state of Missouri as amended from time to time. The Applicant and Authorized User consents to the jurisdiction of the state or federal courts in Missouri over any dispute or claim arising out of the provision of checkwriting or other payment services under this Agreement.

The Applicant agrees to examine the monthly statement for the StewardAccount® or the FlexPlus Certificate promptly. Applicant agrees to report any claim that a Check or other payment made from the StewardAccount® or the FlexPlus Certificate was forged, altered, or otherwise not authorized within thirty (30) days of receipt of the statement first containing a reference to such activity. Applicant agrees that failure to notify LCEF or the Bank within that time will preclude any claim against LCEF and the Bank by reason of any unauthorized or missing signature, alteration, or error of any kind. In the event LCEF or the Bank is deemed liable for any unauthorized payment or any failure to honor a stop payment order that has been given, such liability shall not exceed the face amount of the Check or other payment improperly made. The Bank has the right not to honor Checks presented to it; the Bank and LCEF have the right to change, modify, or terminate the Checkwriting Agreement at any time; and the Bank shall be liable only for its own negligence.

### Section B—VISA® Check Card Agreement

UMB Bank, n.a. complies with Section 326 of the USA Patriot Act, which requires it to verify certain information about the Check Card applicants while processing their information.

Each person completing the VISA Check Card (“Card”) section of the LCEF Investment Application or applying for an LCEF FlexPlus Certificate on an LCEF Health Savings Account Application (an “Applicant”) hereby applies to UMB Bank, n.a. (the “Bank”) for a Card as set forth below:

Each Applicant understands that the application for a Card is subject to approval by the Bank. By submitting this request for a Card for the StewardAccount® or by applying for an LCEF FlexPlus Certificate on an LCEF Health Savings Account Application, each Applicant authorizes the Bank to obtain a credit report on the Applicant in connection with this Application, and from time to time after the Applicant receives a Card to verify that the Applicant continues to qualify for the Card. The Bank may inquire as to the credit, investments, and employment history of each Applicant.

If this request is approved by the Bank, each Applicant plus any person designated by the Applicant (“Authorized User”) will be issued a Card. Each Applicant understands that the Card(s) will be mailed to the Applicant accompanied by an agreement (the “Cardholder Agreement”) setting forth the terms and conditions governing the Card. The Applicant and the Authorized Users understand and agree that the Card and use of the Card will be governed by the Cardholder Agreement, as amended by the Bank from time to time.

## **LCEF Investment Application—Rules and Regulations**

### **Section B—VISA® Check Card Agreement (Cont.)**

Each time an Applicant or Authorized User uses a Card, he/she authorizes LCEF to order StewardAccount® or the FlexPlus Certificate redemptions to be made so that transactions are settled and the Bank receives the proceeds of such redemptions. The Applicant understands that the Card is made available solely for the purpose of enabling the Applicant and Authorized Users to redeem amounts from the StewardAccount® or the FlexPlus Certificate and does not involve any extension of credit. This authorization may be terminated by either the Bank or the Applicant by written notification. The Applicant understands that the Applicant will be responsible for the amount of any transactions authorized by the Applicant or Authorized Users, whether or not the transactions have been debited from the StewardAccount® or FlexPlus Certificate as of the date of such termination.

The Applicant understands and agrees that the Bank may provide information about the Card and the Applicant's use of a Card to LCEF or other service providers in order to process Card transactions or otherwise provide Card services.

### **Section C—Automated Clearinghouse**

An Applicant may from time to time be a party to an Automated Clearinghouse (ACH) entry, which may be credited or charged to an LCEF investment. The Applicant agrees to be bound by the National Automated Clearinghouse Association (NACHA) operating rules then in effect for ACH transactions authorized. The Applicant agrees that payment of ACH entries will be processed on the basis of the identifying number for the ACH, even if the identifying number identifies a financial institution, person, or entity different from the named party in the transaction. The Applicant has fifteen (15) days from the time LCEF sends or makes the statement available to notify LCEF of unauthorized ACH debits to the Applicant's account.

### **Section D—Telephone Transfers**

A telephone transfer of funds from one LCEF investment account to another, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to redemptions made in writing.

### **Section E—Internet Transfers**

An Internet transfer of funds from one LCEF investment account to another, if otherwise arranged for or permitted, may be made by the same persons and under the same conditions generally applicable to redemptions made in writing.

### **Section F—Individual Ownership**

The investment account owned by an individual person is owned only by the person shown on the Investment Application. No other person has any present rights in the account. Upon the death of the person, the funds in the account become part of that person's estate or are distributed to the "payable on death" payee designated by the individual person on the form received by LCEF.

### **Section G—Joint Ownership**

Except for an investment account issued to a Tax Deferred Plan, the investment account is owned by the person and the one or more additional individuals identified as joint-account owners on the Investment Application (together referred to as "Owner"). All joint ownership accounts will be deemed to be joint tenant with right of survivorship. As such, upon the death of one of the joint-account owners, that person's ownership interest in the account will immediately pass to the other joint-account Owner(s).

### **Section H—Payable on Death**

Any person or entity identified as a "Payable on Death (POD) Payee" will acquire vested ownership rights in the investment account only after the death of all Owners and then only if the POD payee is alive. When LCEF is provided with proof of the death of the last surviving Owner, LCEF will close the account and distribute to all surviving POD payees the amount previously designated by the Owner(s).

### **Section I—Custodial Account for Minors**

If an Applicant has established a Custodial Account for a Minor, the Applicant understands that all investments into this account are complete and irrevocable transfers and/or gifts to the minor. Further, the account is established under the Uniform Transfers to Minors Act or the Uniform Gifts to Minors Act of the state designated as the minor's residence on the Investment Application, or if not designated, then of the state indicated in the mailing address on the Investment Application. As custodian, the Applicant's rights and duties are governed by this Act. Redemptions are paid only upon the signature of the custodian or as required or permitted by law and the funds must be used for the benefit of the minor. LCEF, however, has no duty or agreement whatsoever to monitor or ensure that the acts of the custodian (or successor custodian) are for the minor's benefit.

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# Individual Investment Application

"I" and "my" refer to all applicants, whether one or more.

## STEP 1 Choose Your Investment Ownership Choose A, B, or C (please print)

**A: Sole or Joint Owners** (Must be at least 18 years old. One or more owners with full rights of survivorship and not tenants in common. Interest is reported to the IRS using the Social Security number of the first owner listed.)

1. \_\_\_\_\_  
 First Name                      Initial                      Last Name                      Social Security Number                      Date of Birth  
 \_\_\_\_\_  
 Street, City, State, ZIP                      Telephone: Home Number                      Cell/Work Number                      E-mail

2. \_\_\_\_\_  
 First Name                      Initial                      Last Name                      Social Security Number                      Date of Birth  
 \_\_\_\_\_  
 Street, City, State, ZIP                      Telephone: Home Number                      Cell/Work Number                      E-mail

**B: Trust/Estate** (Trusts must send LCEF Trust Certification form, available on Web site or by calling LCEF.)

\_\_\_\_\_ Social Security/TIN  
 Name of Trust/Estate  
 \_\_\_\_\_  
 Street, City, State, ZIP                      Telephone: Home Number                      Cell/Work Number                      E-mail

**C: Custodial Certificate for Minor** (Under the Uniform Gift/Transfer to Minors Act, interest is reported to the IRS using the Social Security number of the minor.)

**Minor Name:** First                      Initial                      Last                      **Minor:** Social Security Number                      **Minor:** Date of Birth                      **Minor:** State of Residence  
 \_\_\_\_\_  
 Street, City, State, ZIP                      Telephone: Home Number                      Cell/Work Number                      E-mail

**Custodian Name:** First                      Initial                      Last                      **Custodian:** Social Security Number                      **Custodian:** Date of Birth  
 \_\_\_\_\_  
 Street, City, State, ZIP                      Telephone: Home Number                      Cell/Work Number                      E-mail

**Successor Custodian Name:** First                      Initial                      Last                      **Successor:** Social Security Number                      **Successor:** Date of Birth  
 \_\_\_\_\_  
 Street, City, State, ZIP                      Telephone: Home Number                      Cell/Work Number                      E-mail

## STEP 2 Select Type of Investment

\_\_\_\_\_

**Initial Investment**

- Dedicated Certificate** (Minimum \$100. Custodial Certificate for Minor \$25.) ..... \$ \_\_\_\_\_
- StewardAccount®** (Minimum \$100. Complete STEP 3 below.)..... \$ \_\_\_\_\_
- Family Emergency StewardAccount** (Minimum \$25. Requires monthly electronic investment. Complete STEP 6.)..... \$ \_\_\_\_\_
- Term Note, Floating Rate** (Minimum \$100)  30 Months  60 Months (additional investments accepted, minimum \$25)..... \$ \_\_\_\_\_
- Term Note, Fixed Rate** (Minimum \$500)  6 Months  9 Months  18 Months  
 1 Year  2 Years  3 Years  5 Years      \_\_\_\_\_ Years (Enter number of years; 6 years to 20 years) ..... \$ \_\_\_\_\_

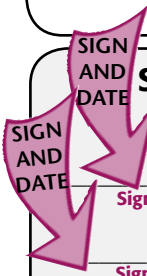
## STEP 3 StewardAccount Check Card Application

(Not available for Family Emergency StewardAccount.)

- Decline the Check Card option at this time.
- Apply for an ATM/VISA® Check Card (please print):

**Primary Owner:** \_\_\_\_\_ **Mother's Maiden Name:** \_\_\_\_\_  
 Employer: \_\_\_\_\_ Length of Employment: \_\_\_\_\_  
 Employer Address: \_\_\_\_\_

**Joint Owner:** \_\_\_\_\_ **Mother's Maiden Name:** \_\_\_\_\_  
 Employer: \_\_\_\_\_ Length of Employment: \_\_\_\_\_  
 Employer Address: \_\_\_\_\_



## STEP 4 Signature (Must be signed by all owners.)

By signing this application, I agree to the certification statements listed in STEP 7—Investment Certification.

\_\_\_\_\_ Mother's Maiden Name \_\_\_\_\_  
 Signature of Primary Owner, Executor, Trustee, or Custodian      Date

\_\_\_\_\_ Mother's Maiden Name \_\_\_\_\_  
 Signature of Joint Owner, Successor Custodian

Note: Due to Internal Revenue Service regulations, LCEF cannot record your investment until your Taxpayer Identification Number is provided and the above certification signed. The IRS does not require your consent to any provisions of this application other than the certifications required to avoid backup withholding.

## STEP 5 Member Congregation

Your Member Congregation \_\_\_\_\_

City, State \_\_\_\_\_

## STEP 6 Interest Payment and Electronic Investment

### Interest Payment Options

Please check one method of interest payment:

- Let interest accumulate in this investment.
- Transfer interest to my existing LCEF investment or StewardAccount # \_\_\_\_\_.
- Transfer interest to my external financial institution as described below **(void check required)**.

**Financial Institution:** \_\_\_\_\_

**Account Number:** \_\_\_\_\_

- Send the interest monthly.
- Send the interest quarterly (*not available on StewardAccounts*).

### Electronic Investment

(Family Emergency StewardAccount requires \$25 minimum electronic investment per month unless opened for \$10,000 or more. Fixed-rate term notes do not accept deposits.)

I authorize LCEF to initiate withdrawals in the amount of \$ \_\_\_\_\_ from the checking account described below for credit to my new LCEF investment **(void check required)**.

**Monthly frequency:**  1st & 15th     15th & last day of month     Once a month (*indicate date*): \_\_\_\_\_

**Financial Institution:** \_\_\_\_\_

**Account Number:** \_\_\_\_\_

## STEP 7 Investment Certification

- I am of legal age and have received a current Offering Circular of the Lutheran Church Extension Fund—Missouri Synod.
- Prior to receipt of the Offering Circular, I was a member of, contributor to, or participant in The Lutheran Church—Missouri Synod or any district or other program, activity, or organization that constitutes a part of the Synod or any of its districts, or I was an ancestor, descendant, or successor in interest to such person. **(For Pennsylvania residents only:** By signing this application, I acknowledge that I was advised of the right of redemption described in the Offering Circular.)
- All information provided is true and correct.
- I understand that the electronic feature(s) selected in STEP 6 will remain in effect until revoked in writing. I authorize LCEF to initiate any correcting debit or credit that may be necessary. I understand that the amount of interest from my investment that is deposited into my checking account may vary due to a change in the interest rate, investment balance, or number of days in the payment period. I acknowledge that the origination of automated clearinghouse (ACH) transactions to my investment must comply with the provisions of U.S. law.
- I understand that LCEF reserves the right to assess maintenance fees.
- If establishing a Custodial Certificate for Minor, the initial and all subsequent investments are irrevocable and will be maintained pursuant to the Uniform Gift to Minors Act or Uniform Transfer to Minors Act under the state designated as the minor's state of residence, or if not provided, then under the state designated in the mailing address.

### **Additional StewardAccount Provisions:**

- If opening a StewardAccount, I understand and agree to the terms and conditions of the Checkwriting Agreement, and if selected, the ATM/VISA® Check Card Agreement, both of which are described in the Offering Circular.
- In authorizing either owner to sign redemption checks, I hereby authorize LCEF to accept any order of redemption from any StewardAccount owner.
- If I selected the ATM/VISA® Check Card feature in STEP 3, I hereby certify that the information provided in STEP 3 is correct, and I hereby authorize LCEF to accept any such order of redemption from any StewardAccount owner.

Under penalties of perjury,

1. The Social Security or Tax ID Number shown on this application is correct.
2. I am either exempt from withholding or otherwise not subject to backup withholding. The IRS has not notified me that part of my dividend and interest is to be withheld as a result of my failure to report all dividend and interest income. (Please draw an "X" through this paragraph if you ARE subject to backup withholding.)
3. I am a U.S. person (including a U.S. resident alien).

For our Offering Circular, current interest rates, or if you have any questions,  
call LCEF at 1-800-843-5233 or visit us at [www.lcef.org](http://www.lcef.org).



## Lutheran Church Extension Fund

PO Box 229009, St. Louis, MO 63122-9009

1-800-843-5233 • [www.lcef.org](http://www.lcef.org)

Fax (314) 996-1131

STAPLE VOID CHECK HERE.



# LCEF Beneficiary Designation

This form is only available for those owning Investments as individuals or joint owners, **not** for IRA or HSA ownership. Instructions are on next page.

### Please Print

Name(s) of Owner(s): \_\_\_\_\_

### Request Applies to:

New Investment

Existing Investment(s): # \_\_\_\_\_ ; # \_\_\_\_\_ ; # \_\_\_\_\_

List the person(s) or organization(s) such as the ministry of LCEF (national or district), or a congregation and related information to whom you want to transfer your Investment(s) at your death (or, if more than one owner, at the death of the last surviving owner). If you name an LCMS-related ministry, simply provide the name, city, state, and percentage amount.

Name \_\_\_\_\_ Date of Birth \_\_\_\_\_ Percentage \_\_\_\_\_%

Address \_\_\_\_\_ Social Security Number \_\_\_\_\_

Relationship \_\_\_\_\_

Name \_\_\_\_\_ Date of Birth \_\_\_\_\_ Percentage \_\_\_\_\_%

Address \_\_\_\_\_ Social Security Number \_\_\_\_\_

Relationship \_\_\_\_\_

Name \_\_\_\_\_ Date of Birth \_\_\_\_\_ Percentage \_\_\_\_\_%

Address \_\_\_\_\_ Social Security Number \_\_\_\_\_

Relationship \_\_\_\_\_

Name \_\_\_\_\_ Date of Birth \_\_\_\_\_ Percentage \_\_\_\_\_%

Address \_\_\_\_\_ Social Security Number \_\_\_\_\_

Relationship \_\_\_\_\_

Organization Name \_\_\_\_\_ Tax ID Number \_\_\_\_\_ Percentage \_\_\_\_\_%

Address \_\_\_\_\_

THE TOTAL PERCENTAGE MUST EQUAL **100%**

("I" refers to all owners, whether one or more.)

I, being the owner of the LCEF Investment(s), acknowledge that I have read and fully understand the instructions on the reverse side of this Beneficiary Designation form and hereby request LCEF to register the Investment(s) in beneficiary form, as directed above. I understand that I may change or revoke this beneficiary designation at any time.

I understand that the beneficiary(ies) shall receive the Investment(s) subject to all of the terms contained in this form, the instructions, and on the Investment(s). I also understand and agree that this form and the "Payable on Death" (POD) designation to be stated on the Investment(s) are binding upon my heirs, beneficiaries, and legal representatives at my death and shall be construed and applied in accordance with the Nonprobate Transfers Law of Missouri.



Owner \_\_\_\_\_ Date \_\_\_\_\_ Owner \_\_\_\_\_ Date \_\_\_\_\_

## Spousal Consent

**If you are married, reside in a community property or marital property state, and designate someone other than your spouse as your sole primary beneficiary, your spouse must sign below.** (For use in community or marital property states including AZ, CA, ID, LA, NV, NM, TX, WA, and WI.)

I am the spouse of the Investment owner named above. I give to the Investment owner any interest I have in the Investment. Therefore, I agree to my spouse's naming of a primary beneficiary other than myself. I acknowledge that I have received a fair and reasonable disclosure of my spouse's property and financial obligations. I also acknowledge that I shall have no claim whatsoever against LCEF for any payment to my spouse's named beneficiary(ies).

Signature of Investment Holder's Spouse \_\_\_\_\_ Date \_\_\_\_\_

Spouse of: \_\_\_\_\_

# Beneficiary Designation

## Instructions:

This form allows the owner(s) of Investment(s) issued by the Lutheran Church Extension Fund—Missouri Synod (LCEF), and owner(s) of Investment(s) issued by any Synod District Church Extension Fund (CEF) that are now assumed obligations of LCEF, to transfer the Investment(s) to other individuals and/or organizations of The Lutheran Church—Missouri Synod as beneficiaries who will receive the property upon the death of the owner(s).

- You, as owner(s), may designate one or more beneficiaries to whom your Investment(s) will be transferred upon your death (or death of the last surviving owner). If only one beneficiary is designated, that beneficiary shall be entitled to the Investment(s) upon death of the owner(s). If more than one beneficiary is designated, those beneficiaries who survive the owner(s) will each own that percentage of the Investment that the owner(s) designated upon death of the owner(s).
- If a beneficiary dies before the owner(s), the deceased beneficiary's share will be allocated among the surviving beneficiaries in the proportion that the surviving beneficiaries' designated shares bear to each other. Each Investment will be changed to state, following your name as owner(s): "POD (beneficiary name[s]), no LDPS, as joint tenants with right of survivorship." The use of the phrase "no LDPS" (no lineal descendant per stirpes) means that if a named beneficiary has predeceased the owner(s), his or her share shall be transferred to the surviving beneficiaries, not to his or her descendants. If only one beneficiary is named and predeceases the owner(s), the property will be transferred to your estate(s) or the last surviving owner's estate.
- If you are married, reside in a community property or marital property state, and designate someone other than your spouse as your sole primary beneficiary, your spouse must sign the "Spousal Consent" section.
- If a trust is named as a designated beneficiary, send a copy of the *LCEF Trust Certification* (form S00533), available on the Web site ([www.lcef.org](http://www.lcef.org)), or by calling an LCEF Information Representative at 1-800-843-5233.
- If you wish to name more than five beneficiaries, call an LCEF Information Representative.
- Beneficiaries may be changed or revoked by you, the owner(s), at any time, and naming beneficiaries does not affect your right to interest payments or to redeem the Investment(s) at maturity.
- **This form will not be effective until it is signed by all owners.**

*For additional assistance,  
call an LCEF Information Representative  
toll-free at 1-800-843-5233.*



**Lutheran Church Extension Fund**  
PO Box 229009  
St. Louis, MO 63122-9009



# LCEF Trust Certification

This Trust Certification is given to the Lutheran Church Extension Fund (LCEF) with respect to all investments (other than for IRAs and HSAs) established for the following trust:

Name of Trust: \_\_\_\_\_ Date of Trust (MM/DD/YYYY): \_\_\_\_\_

Trust is:  Revocable

Name of Grantor \_\_\_\_\_ SSN \_\_\_\_\_

Name of Grantor \_\_\_\_\_ SSN \_\_\_\_\_

(Interest is reported to the Internal Revenue Service using the name and Social Security Number of the above-named Grantor.)

Irrevocable Tax Identification Number: \_\_\_\_\_

If there is more than one Trustee, the Trustees (must check one):

May act separately.

Must act jointly.

The undersigned Trustee(s) and, if the trust is revocable, the above-referenced Grantor(s), hereby certify(ies) to LCEF that:

- The information on this form is correct.
- The undersigned Trustee(s) is (are) all of the duly authorized and acting Trustee(s) of this trust.
- The undersigned Trustee(s) has (have) the power under the trust and the applicable law to enter into transactions and issue instructions to LCEF concerning the trust.
- Any and all transactions effected and instructions given will be in full compliance with the trust.
- LCEF will be informed in writing of any changes in the composition of the Trustees, or any other event which could alter the certifications above.
- LCEF is indemnified, jointly and severally, and held harmless, from any liability for effecting transactions pursuant to the instructions given by any of the Trustees so identified on this form.
- LCEF is indemnified from all costs (including reasonable attorney fees) incurred as a result of reliance by LCEF on this certification or any instructions from the Trustee(s) or any Successor Trustee.
- LCEF has not been provided with a copy of the trust instrument, and further, the Trustee(s) agree(s) that LCEF will have no responsibility to examine the trust instrument or to ensure the proper application of the trust assets in accordance with the trust instrument.
- The Trustee(s) has (have) entered into an agency agreement with the following entity, which is authorized to act for the Trustee(s) with respect to all investments established for the trust.

(If none, please indicate): \_\_\_\_\_

**Under penalties of perjury:**

1. The Social Security or Tax Identification Number shown is correct.
2. I am either exempt from withholding or otherwise not subject to backup withholding. The IRS has not notified me that part of my dividend and interest is to be withheld as a result of my failure to report all dividend and interest income. (Please draw an "X" through this paragraph and initial if you ARE subject to backup withholding.)
3. I am a U.S. person (including a U.S. resident alien).

**Note:** Due to Internal Revenue Service regulations, LCEF cannot record your investment until your Taxpayer Identification Number is provided. The IRS does not require your consent to any provisions of this application other than the certifications required to avoid backup withholding.

## Current Trustee(s)

Name: (print) \_\_\_\_\_ Name: (print) \_\_\_\_\_

SSN: \_\_\_\_\_ SSN: \_\_\_\_\_

Mother's Maiden Name: (print) \_\_\_\_\_ Mother's Maiden Name: (print) \_\_\_\_\_

Date of Birth (MM/DD/YYYY) \_\_\_\_\_ Date of Birth (MM/DD/YYYY) \_\_\_\_\_

Address: \_\_\_\_\_ Address: \_\_\_\_\_

Address: \_\_\_\_\_ Address: \_\_\_\_\_

Signature: \_\_\_\_\_ Signature: \_\_\_\_\_

Name: (print) \_\_\_\_\_ Name: (print) \_\_\_\_\_

SSN: \_\_\_\_\_ SSN: \_\_\_\_\_

Mother's Maiden Name: (print) \_\_\_\_\_ Mother's Maiden Name: (print) \_\_\_\_\_

Date of Birth (MM/DD/YYYY) \_\_\_\_\_ Date of Birth (MM/DD/YYYY) \_\_\_\_\_

Address: \_\_\_\_\_ Address: \_\_\_\_\_

Address: \_\_\_\_\_ Address: \_\_\_\_\_

Signature: \_\_\_\_\_ Signature: \_\_\_\_\_

Grantor's Signature: \_\_\_\_\_ Grantor's Signature: \_\_\_\_\_

**Note:** Successor trustee information to be completed on back of form.

**Lutheran Church Extension Fund**  
PO Box 229009 • St. Louis, MO 63122-9009  
1-800-843-5233 • www.lcef.org

**Successor Trustee(s)**

**Name:** *(print)* \_\_\_\_\_  
SSN: \_\_\_\_\_  
Mother's Maiden Name: *(print)* \_\_\_\_\_  
Date of Birth *(MM/DD/YYYY)* \_\_\_\_\_  
Address: \_\_\_\_\_  
Address: \_\_\_\_\_

**Name:** *(print)* \_\_\_\_\_  
SSN: \_\_\_\_\_  
Mother's Maiden Name: *(print)* \_\_\_\_\_  
Date of Birth *(MM/DD/YYYY)* \_\_\_\_\_  
Address: \_\_\_\_\_  
Address: \_\_\_\_\_

**Name:** *(print)* \_\_\_\_\_  
SSN: \_\_\_\_\_  
Mother's Maiden Name: *(print)* \_\_\_\_\_  
Date of Birth *(MM/DD/YYYY)* \_\_\_\_\_  
Address: \_\_\_\_\_  
Address: \_\_\_\_\_

**Name:** *(print)* \_\_\_\_\_  
SSN: \_\_\_\_\_  
Mother's Maiden Name: *(print)* \_\_\_\_\_  
Date of Birth *(MM/DD/YYYY)* \_\_\_\_\_  
Address: \_\_\_\_\_  
Address: \_\_\_\_\_

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