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## Leadership Staff

Ms. Christina Jackson-Skelton, *president*

## Statement of Purpose

The purpose of the Mission Investment Fund is to help build the Evangelical Lutheran Church in America (ELCA) and advance God's mission by providing ministry loans, investment opportunities, and supporting services for ELCA members, congregations, and partners. Investments are put to work to provide low-interest loans to established ELCA congregations, new-start congregations, and ELCA-related ministries. The governing description of this unit appears in continuing resolution 17.51.A10, printed in Section X of this volume.

## Report of Work for 2009–2011

While the ongoing weak economy has had an impact on the development of investment and loan business for the Mission Investment Fund (MIF), the MIF succeeded in maintaining its strength and stability as a financial institution. The MIF grew its total asset base to more than \$641 million, and again achieved a capital ratio greater than 25 percent. Ever cognizant of efficient, low-cost operations, the MIF cut costs even further during the recession and post-recession months.

Many ELCA congregations and ELCA-related ministries experienced financial challenges these past two years. As a result, many postponed building and renovation projects, and others struggled to meet their mortgage obligations. For customers facing financial difficulties, the MIF is providing much-needed assistance by working with congregations and ministries to modify their loan agreements to address current needs. In 2010, the MIF granted 50 requests for loan

modifications of payments or terms. By offering this type of flexibility, the MIF continues to support its customers' ministries—and fulfill its mission.

While the MIF did not record any loan losses during this two-year period, it did experience an increase in the number of impaired loans. These are loans that have been modified, are late with payments three times within the past year, or are part of the MIF new-start loan program. The MIF's lending staff is monitoring these loans and working closely with the customers to prevent them from moving into non-performing delinquencies.

Even in the midst of the difficult economy, the MIF continued to work toward its strategic plan and its goal of ensuring that its customers—ELCA congregations, institutions, and members—have access to the products and services they need. The MIF renamed its portfolio of investment products with simpler, more transparent names that point precisely to product features. The MIF put in place more online capabilities for its investors and will be purchasing a new core operating system.

MIF partnerships within this church remained a key focus for it, and the MIF was honored to play a vital role in helping foster new leaders and new congregations. With the help of the MIF's \$1.5 million challenge grant, the ELCA's Fund for Leaders in Mission was able to award 10 scholarships in 2009 and 2010 to seminarians enrolled in mission-developer programs at ELCA seminaries. Over the past two years, MIF provided more than \$4.6 million in grants for ELCA congregational development and the start-up of new congregations.

## Financial Summary

Even in the aftermath of the most difficult economic years since the Great Depression, the MIF has remained a strong, stable financial institution. During 2010, its total assets grew by \$2.4 million to \$641.7 million. Net assets, or equity, totaled \$172 million, an increase of 5 percent over the previous year. The resulting capital ratio—26.8 percent—is five times greater than the amount regulators require and much higher than most financial institutions maintain. This is a positive indication of the MIF's ability to meet its obligations and offer security to its investors.

Where the troubled economy did impact the MIF was in the area of expected growth. MIF investment obligations and outstanding loans were both down in 2010. Investment obligations decreased by \$7 million to \$465 million. At year-end 2010, the MIF had 14,309 investors—a mix of individuals, congregations, and ministries—holding 24,074 accounts. During

2010, loans decreased \$10.2 million to \$456.9 million. The MIF had 763 loans at the end of 2010, a decrease of 19 from the previous year. Funding of new loans, at nearly \$49 million, remained flat as congregations continued to defer large projects and MIF faced increased competition for loans.

## Major Directions for 2011–2013

In March 2011, the MIF Board of Trustees approved the extension of the MIF’s strategic plan for one more year, through December 31, 2013. The strategic priorities for 2011 through 2013 are:

- Grow awareness and participation in the Mission Investment Fund.
- Secure investors’ confidence in the long-term strength and stability of the Mission Investment Fund.
- Provide exceptional service that demonstrates the Mission Investment Fund’s commitment to the mission and ministry of this church.

As the economy improves, we are confident that the MIF is well positioned for continued growth. It will be able to move forward with its plans to grow participation and provide the right mix of products and sophisticated services that its customers demand.

Mr. Harold C. Mueller, *board chair*

Ms. Christina Jackson-Skelton, *president*

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