

# Update

Enabling Space and Place for Ministry



## Epiphany

... they opened their treasures and presented him with gifts of gold, frankincense and myrrh. - Matthew 2:10

## Now Is A Great Time For Church Improvements

Lower LCEF loan rates can mean more for your money



Eco-friendly construction for Messiah Lutheran Church in La Crescent, Minn.

Messiah Lutheran Church in La Crescent, Minnesota is

under construction and financed by an LCEF loan. How about your congregation? Need energy efficient updates, a new narthex, handicapped accessible entrance and restrooms, or tuck pointing? LCEF loan rates are lower this month (*see page three*). If your Lutheran Church—Missouri Synod church or school has a need to remodel, build or re-finance, contact your LCEF District Vice President today (*see page two*.) %

## Investing So Others May Know Jesus



The congregation of King of Kings Lutheran Church in Roseville, Minn. achieved \$1 million in investments with LCEF and was recognized during the 2010 LCEF Fall Leadership Conference held Nov. 19-21 in Nashville, Tenn. Pictured from left are LCEF President/CEO Rich Robertson, Minnesota South District Vice President Kurt Fuhr, King of Kings Congregation Representative Dr. Tom Murdock and Board Chair Randy Peterson.

The Lutheran Church Extension Fund (LCEF) honored King of Kings Lutheran, Roseville, Minn. (*cont. on page two*)

Featuring LCMS ministries in partnership with the Lutheran Church Extension Fund (LCEF) in the upper Midwest region of Iowa, Minnesota, North Dakota and Wisconsin.

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The *LCEF Update* is published for Lutheran Church—Missouri Synod leadership, members and LCEF volunteers in the upper Midwest region.

## Investing So Others May Know Jesus

*Continued from page one*

for the congregation's support of the ministry Nov. 19 during LCEF's annual leadership conference in Nashville, Tenn. King of Kings Lutheran Church was recognized for achieving \$1 million in investments with LCEF, combined with at least 10 percent individual investor participation from the congregation. "We recognize the outstanding efforts members of King of Kings has shown in supporting Church Extension and spreading the word of how investments and loans help sustain and grow the Lutheran Church—Missouri Synod," said LCEF President/CEO Rich Robertson. "We thank them for their dedication to ministry."

The King of Kings congregation has more than 800 members and is led by Rev. Alan Braun. Accepting the award in Nashville on behalf of

the congregation was member and LCEF volunteer Tom Murdock. The mission of LCEF is to provide funds and services to LCMS ministries in support of the Great Commission. The not-for-profit organization provides low-cost loans and facility-planning services to churches, schools, camps, and other ministries, as well as rostered church workers, through the investment support of church members. For more information about LCEF, call 1-800-843-5233 or visit the LCEF website at [www.lcef.org](http://www.lcef.org). %

MONDAY, JANUARY 17



## Shopping Around?

### Why NOT LCEF

The average secular high yield rates for MMA and Savings Accounts nationwide per [BankRate.com](http://BankRate.com):

| Avg Rate | Avg APY | Avg Min Deposit |
|----------|---------|-----------------|
| 0.693%   | 0.695   | \$1,951         |

Compare to LCEF Jan. '11 Rates for Individuals *Investing In Ministry*

| LCEF product | Rate   | APY    | Min Invest |
|--------------|--------|--------|------------|
| SA           | 0.625% | 0.627% | \$1000     |
| SA           | 1.000% | 1.005% | \$5,000    |
| FESA         | 2.125% | 2.146% | \$25*      |

Why *not* invest in ministry? \*min. \$25 monthly electronic deposits for balance of <\$10,000 %

## LCEF Mission Statement



To support the Church in fulfilling its mission of sharing the Gospel of Jesus Christ by being a Christ-centered servant partner of the LCMS, ensuring that funds and services are available now and in the future.

# IRA Donors Catch a Break

Source: *wsj.com*, December 18, 2010

Here's some good news for donors: The mammoth tax bill just passed by Congress resurrects an expired provision allowing special charitable donations of individual-retirement-account assets for taxpayers 70½ and older. The benefit has been extended through 2011 and gives extra time to those who want to donate this year. Judging from our mailbag, few tax provisions are as popular as this. All year long, readers have been asking if Congress would restore the benefit, which expired at the beginning of 2010. **Now that it's back, donors are delighted.** "I was really hopeful it would be renewed," says Louis Yazbeck, a retired accountant in Dallas who likes to contribute IRA assets to his church.

The provision itself is simple—at least as tax rules go. It allows a taxpayer who is 70½ or older to contribute a total of \$100,000 in IRA assets to one or more qualified charities. The payout can satisfy the required minimal distribution. The donor gets no deduction, but neither does he or she have to report the payouts as income.

That last point is key: If the donor had to claim the payout as income and then deduct it, there could be problems. The deduction itself could be limited because of other tax rules, or else the donation might swell the donor's reported income, possi-

bly raising Medicare premiums or taxes on Social Security payments. Instead, the donation bypasses tax calculations altogether.

The details are clear, too. The gift must pass directly from the IRA sponsor to the charity, which sends a letter confirming the gift. Qualifying donations can be made to a broad range of schools, churches and public charities, but not to a non-public donor-advised fund or foundation. Recognizing that their own foot-dragging imperiled many IRA donations this year, **lawmakers included a special rule allowing IRA gifts made in January 2011 to count for 2010.**

Charities are pleased with the extension, too. Many have been battered both by the economy's woes and lower tax rates—especially for estates—that reduce the tax breaks for donors. "This opens another avenue for giving, which is so important in these difficult times," says Tanya Howe Johnson, head of the Partnership for Philanthropic Planning, which advises many charities on how gifts can be structured.

There's only one caveat: While IRA donations are easy, they aren't always the most tax-efficient way to donate while you are alive, says Tim Speiss, a CPA and tax expert with EisnerAmper in New York. For many who are charitably inclined, it is best to give appreciated assets (such as a

long-held stock) during one's lifetime and save donations of IRA assets for death. The reason: A gift of appreciated assets when one is alive can qualify for a deduction at full market value, allowing the donor to skip paying capital-gains tax on all growth. At death, however, those same assets can escape capital-gains taxes. Meanwhile, IRA assets in an estate are subject to income tax, so a fully deductible donation of them can leave other, more valuable assets for heirs.


Here's an example: Marion wants to give \$10,000 to her church, and she could give cash, IRA assets or 100 shares of stock worth \$100 each that were bought for \$10 many years ago. While Marion is alive, it may be best to give the stock, because she gets a full \$10,000 deduction and skips paying capital-gains tax on \$9,000 of growth. At her death, however, no capital-gains tax would be due on that \$9,000, so it may be best to bequeath to the church \$10,000 of IRA assets, on which her heirs would owe income tax. The estate gets a full \$10,000 deduction for the gift.

**Individual situations vary, and an IRA gift during life can make sense if one is trying to minimize income or has few other assets. But donors need to consider all these issues [and contact their tax advisor.] %**

| <b>Congregation/School Loans:</b>  | <b>January 2011</b> |
|--|---------------------|
| New Mission Starts (first 5 years)   | 4.750%              |
| Specialized Ministries   | 3.125%              |
| Monthly, Quarterly or Annually Adjustable  | 5.125%              |
| 5 yr fixed rate balloon, 2% prepayment penalty (subject to availability of funds)  | 5.625%              |
| 10 yr fixed rate balloon, 2% prepayment penalty (subject to availability of funds) | 6.250%              |
| <b>Rostered Church Worker Home Equity Loans:</b>                                   |                     |
| Loan Term up to 5 Years, Fixed Rate  | 4.625% - 5.125%     |
| Loan Term 6-10 Years, Fixed Rate   | 5.625% - 6.125%     |
| Loan Term 11-15 Years, Fixed Rate  | 6.625% - 7.125%     |
| <b>Rostered Church Worker Residential Loans:</b>                                   |                     |
| 5 Year ARM Rate (10% down payment)   | 4.125% - 4.625%     |
| 10 Year ARM or 15 Year FIXED (10% down payment)                                    | 4.375% - 4.875%     |
| 5 Year ARM Rate (5% down payment)  | 4.375% - 4.875%     |
| 10 Year ARM or 15 Year FIXED (5% down payment)                                     | 4.625% - 5.125%     |
| <b>Rostered Church Worker Consolidation Loans:</b>                                 |                     |
| 1 Year to 7 Year Terms, Adjusted Annually  | 6.125% - 8.125%     |

# Lutheran Church Extension Fund Investment Rates

Jan.  
2011

|  Spiritually Responsible Investing<br>Serving the Lutheran Church — Missouri Synod (LCMS) | \$ Minimum Investment | % Rate | % APY |
|--|-----------------------|--------|-------|
| Congregation Endowment (5-Year FIXED)  | 1,000                 | 2.445  | 2.468 |
|  | 10,000                | 2.570  | 2.595 |
|  | 100,000               | 2.695  | 2.722 |
| Congregation Endowment (60-Month FLOATING)   | 1,000                 | 2.445  | 2.468 |
|  | 10,000                | 2.570  | 2.595 |
|  | 100,000               | 2.695  | 2.722 |
| Congregation Certificates - StewardAccount®  | 100                   | 1.875  | 1.891 |
|  | 250,000               | 2.000  | 2.018 |
|  | 500,000               | 2.125  | 2.146 |
|  | 1,000,000+            | 2.250  | 2.273 |
| Cemetery Perpetual Care StewardAccount®  | 1,000                 | 1.875  | 1.891 |
|  | 25,000                | 2.000  | 2.018 |
|  | 100,000               | 2.375  | 2.401 |
| Individual Dedicated Certificates (*Custodial accts. for minors)   | *25                   | 0.375  | 0.376 |
| Individual <i>StewardAccount</i> ® Certificates  | 100                   | 0.500  | 0.501 |
|  | 1,000                 | 0.625  | 0.627 |
|  | 10,000                | 2.000  | 2.018 |
| Fixed Term Note - 18 Months  | 500                   | 1.625  | 1.635 |
| Fixed Term Note - 2 Year   | 500                   | 1.750  | 1.762 |
| Fixed Term Note - 5 Year   | 500                   | 3.000  | 3.034 |
| Fixed Term Note - 6-10 Years   | 500                   | 2.750  | 2.778 |
| Fixed Term Note - 11-15 Years  | 500                   | 3.000  | 3.034 |
| Fixed Term Note - 16-20 Years  | 500                   | 3.325  | 3.290 |
| Floating Term Note - 2 1/2 Years   | 100                   | 1.420  | 1.428 |
| Floating Term Note - 5 Years   | 100                   | 2.070  | 2.086 |
| <b>*FAMILY EMERGENCY STEWARDACCOUNT</b>  | 25                    | 2.125  | 2.146 |
| <i>*Balances of &lt;\$10,000 require monthly electronic investments</i>  |                       |        |       |
| HSA FlexPlus Certificates  | 100                   | 1.875  | 1.891 |
|  | 2,500                 | 2.375  | 2.401 |
|  | 15,000                | 3.375  | 3.428 |
| Fixed Rate - IRA Jumbo (5 year fixed)  | 100,000               | 3.375  | 3.418 |

LCEF is a nonprofit religious organization; therefore, LCEF investments are not FDIC-insured bank deposit accounts. This is not an offer to sell investments, nor a solicitation to buy. The offer is made solely by LCEF's Offering Circular. Investors should carefully read the Offering Circular, which more fully describes associated risks.

**For complete current investment rates & products, contact 1-800-843-5233 or visit lcef.**