MENNONITE BRETHREN LOAN FUND
OFFERING OF DEBT SECURITIES

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We—Mennonite Brethren Loan Fund (sometimes "**MBLF**")—are offering up to $150,000,000 of unsecured debt securities in the types listed below ("**Certificates**"). The primary purpose of our offering is to make loans to churches, organizations and qualified individuals within the U.S. Conference of Mennonite Brethren Churches ("**U.S. Conference**") or affiliated with a Mennonite Brethren ("**MB**") organization, that subscribe to the Confession of Faith of the U.S. Conference, or that otherwise share our values, for the acquisition, construction, renovation, maintenance, operation and improvement of churches, real property, facilities and equipment. This offering runs from the date of this Offering Circular until the expiration of the periods of time authorized in the various states in which we offer, which is typically twelve months. All of our Certificates have variable interest rates that may change during the term of the Certificate, though we may on occasion be willing to agree on a fixed interest rate for a Negotiated Certificate. The enclosed rate sheet indicates our interest rates as of the date we sent you this Offering Circular. Please call us to obtain our current interest rates or visit our website at www.mbfoundation.com. Certificates are not available in all states, and may be subject to special terms in certain states described in "State Specific Information" below.

Type of Certificate	Available to	Minimum Investment	Maturity
Demand Certificate	Individuals and Organizations	$100†	On demand*
Advantage Certificate	MB churches and organizations and certain of their employees	$100	On demand*
Term Certificate	Individuals and Organizations	$1,000	Various
Negotiated Certificate	Individuals and Organizations	$250,000	Negotiated
Preferred Certificate	Mennonite Brethren Foundation ("**MB Foundation**")	$5,000,000	On demand

*Subject to minimum redemption of $50 and maximum of two redemptions per month.
† Subject to a minimum investment by an IRA or CESA of $1,000.

We do not use underwriters or outside selling agents to sell our Certificates. We will not pay any commissions for the sale of our Certificates. After paying the offering expenses, which we expect to be less than one percent **(1%)** of the total offering amount, we will receive 100% of the proceeds from the sale of Certificates.

You are encouraged to consider the concept of investment diversification when determining the amount of Certificates that would be appropriate for you to purchase in relation to your overall investment portfolio, risk tolerance and personal financial needs. You should make an independent decision about whether purchasing Certificates will aid you in accomplishing your investment objectives and whether the Certificates fit within your financial risk tolerance.

The information in this Offering Circular is not intended to be legal, investment or professional tax advice. Each investor's unique circumstances—financial and otherwise—are important factors in determining the consequences of an investment with MBLF. For information about the legal, investment or tax consequences of investing in our Certificates, you should consult your own attorney, accountant, or investment advisor.

THIS OFFERING IS SUBJECT TO CERTAIN RISKS. A DESCRIPTION OF THESE RISKS BEGINS ON PAGE 2.

This Offering Circular is dated April 30, 2025.

THE CERTIFICATES MAY EITHER BE REGISTERED OR EXEMPT FROM REGISTRATION IN THE VARIOUS STATES IN WHICH THEY ARE OFFERED OR SOLD. THIS OFFERING CIRCULAR HAS BEEN FILED WITH THE SECURITIES ADMINISTRATORS IN THE STATES THAT REQUIRE THE FILING OF THIS OFFERING CIRCULAR FOR REGISTRATION OR EXEMPTION.

THE CERTIFICATES ARE ISSUED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 3(a)(4) OF THE FEDERAL SECURITIES ACT OF 1933 AND SECTION 3(c)(10) OF THE FEDERAL INVESTMENT COMPANY ACT OF 1940. A REGISTRATION STATEMENT RELATING TO THE CERTIFICATES HAS NOT BEEN FILED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION.

THE CERTIFICATES 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 THESE SECURITIES, OR APPROVED, DISAPPROVED OR ENDORSED THE OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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

THE CERTIFICATES ARE NOT SAVINGS OR DEPOSIT ACCOUNTS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, ANY STATE BANK INSURANCE FUND OR ANY OTHER GOVERNMENTAL AGENCY. THE PAYMENT OF PRINCIPAL AND INTEREST TO AN INVESTOR IN THE CERTIFICATES IS DEPENDENT UPON OUR FINANCIAL CONDITION. ANY PROSPECTIVE INVESTOR IS ENTITLED TO REVIEW OUR FINANCIAL STATEMENTS, WHICH SHALL BE FURNISHED AT ANY TIME DURING BUSINESS HOURS UPON REQUEST. THE CERTIFICATES ARE NOT OBLIGATIONS OF, NOR GUARANTEED BY, THE U.S. CONFERENCE OF MENNONITE BRETHREN CHURCHES, MB FOUNDATION, OR BY ANY CHURCH, CONFERENCE, INSTITUTION OR AGENCY AFFILIATED WITH THE U.S. CONFERENCE OF MENNONITE BRETHREN CHURCHES.

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.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION IN CONNECTION WITH THIS OFFERING THAT IS INCONSISTENT WITH THIS OFFERING CIRCULAR, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED ON AS HAVING BEEN MADE BY MBLF.

THIS OFFERING CIRCULAR DOES NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY STATE IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED, OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO, OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. NEITHER THE DELIVERY OF THIS OFFERING CIRCULAR NOR ANY SALES MADE UNDER THIS OFFERING CIRCULAR SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF MBLF SINCE THE DATE OF THIS OFFERING CIRCULAR.

STATE SPECIFIC INFORMATION

We only sell our Certificates in certain states. If you purchase a Certificate and then move to a state in which we are not registered to sell Certificates or are not exempt from registration, you will not be allowed to purchase another Certificate or add principal to an existing Certificate.

California and Oregon. Automatic renewal upon maturity of a Term Certificate, as provided in our Offering Circular (see "Description of Our Certificates—Term Certificates—Maturity" on page 9), is not available to investors who are California or Oregon residents. Like investors in other states, you will receive a maturity notice and—if you have not already received one—a copy of our current Offering Circular at least thirty days before the maturity date of your Certificate. But to renew your Certificate, you must sign and return the renewal instructions form included with the maturity notice. You must also sign and return the renewal instructions form to redeem your Certificate. If you fail to return your form, the Certificate's outstanding principal and accrued interest as of the maturity date will be treated and earn interest as if they are invested in a Demand Certificate. Therefore, after the maturity date, your investment would be redeemable with appropriate notice on demand, and without penalty.

Idaho. If you are an Idaho resident, you may purchase a Certificate only if, prior to receiving this Offering Circular, you or one of your ancestors, descendants or other relatives was a member of, a contributor to (including as an investor), or participant in, or was affiliated with, had shared values with, or otherwise had a programmatic or other similar relationship with, an MB organization, including MB Foundation and MBLF, or you were an MB organization.

Kentucky. These securities are offered pursuant to a claim of exemption from registration under KRS 292.400(9) of the Kentucky Securities Act.

Missouri. These securities have not been registered under the Missouri Securities Act, being exempted from registration by 409.2-201(7)(B) of the RSMo. The availability of that exemption does not mean the Missouri Securities Commissioner has passed in any way upon the merits or qualifications of, or recommended or given approval to, the issuer, these securities, or the offer or sale thereof in connection to any Missouri residents.

Oregon. We have registered an aggregate amount of $1,000,000 in Certificates to be offered in Oregon.

South Dakota. These securities are offered pursuant to a claim of exemption from registration under SDCL 47-31B-201(7)(B) of the South Dakota Securities Act. Neither the South Dakota Division of Insurance nor the United States Securities and Exchange Commission has passed upon the value of these securities, made any recommendations as to their purchase, approved or disapproved the offering, or passed upon the adequacy or accuracy of this Offering Circular. Any representation to the contrary is unlawful.

Washington. Automatic renewal upon maturity of a Term Certificate, as provided in our Offering Circular (see "Description of Our Certificates—Term Certificates—Maturity" on page 9), is not available to investors who are Washington residents. Like investors in other states, you will receive a maturity notice and—if you have not already received one—a copy of our current Offering Circular at least thirty days before the maturity date of your Certificate. But to renew your Certificate, you must sign and return the renewal instructions form included with the maturity notice. If you fail to return your form, the Certificate's outstanding principal and accrued interest will be promptly returned to you.

California. California requires the following copy of section 260.141.11 to be delivered to each issuee of our Certificates:

260.141.11 Restriction on Transfer

(a) The issuer of any security upon which a restriction on transfer has been imposed pursuant to Section 260.141.10 or 260.534 shall cause a copy of this section to be delivered to each issuee or transferee of such security at the time the certificate evidencing the security is delivered to the issuee or transferee.

(b) It is unlawful for the holder of any such security to consummate a sale or transfer of such security, or any interest therein, without the prior written consent of the Commissioner (until this condition is removed pursuant to Section 260.141.12 of these rules), except:

  (1) to the issuer;

(2) pursuant to the order or process of any court;
(3) to any person described in Subdivision (i) of Section 25102 of the Code or Section 260.105.14 of these rules;
(4) to the transferor's ancestors, descendants or spouse, or any custodian or trustee for the account of the transferor or the transferor's ancestors, descendants, or spouse; or to a transferee by a trustee or custodian for the account of the transferee or the transferee's ancestors, descendants or spouse;
(5) to holders of securities of the same class of the same issuer;
(6) by way of gift or donation inter vivos or on death;
(7) by or through a broker-dealer licensed under the Code (either acting as such or as a finder) to a resident of a foreign state, territory or country who is neither domiciled in this state to the knowledge of the broker-dealer, nor actually present in this state if the sale of such securities is not in violation of any securities law of the foreign state, territory or country concerned;
(8) to a broker-dealer licensed under the Code in a principal transaction, or as an underwriter or member of an underwriting syndicate or selling group;
(9) if the interest sold or transferred is a pledge or other lien given by the purchaser to the seller upon a sale of the security for which the Commissioner's written consent is obtained or under this rule not required;
(10) by way of a sale qualified under Sections 25111, 25112, 25113, or 25121 of the Code, of the securities to be transferred, provided that no order under Section 25140 or subdivision (a) of Section 25143 is in effect with respect to such qualification;
(11) by a corporation to a wholly owned subsidiary of such corporation, or by a wholly owned subsidiary of a corporation to such corporation;
(12) by way of an exchange qualified under Section 25111, 25112 or 25113 of the Code, provided that no order under Section 25140 or subdivision (a) of Section 25143 is in effect with respect to such qualification;
(13) between residents of foreign states, territories or countries who are neither domiciled nor actually present in this state;
(14) to the State Controller pursuant to the Unclaimed Property Law or to the administrator of the unclaimed property law of another state; or
(15) by the State Controller pursuant to the Unclaimed Property Law or by the administrator of the unclaimed property law of another state if, in either such case, such person (i) discloses to potential purchasers at the sale that transfer of the securities is restricted under this rule, (ii) delivers to each purchaser a copy of this rule, and (iii) advises the Commissioner of the name of each purchaser;
(16) by a trustee to a successor trustee when such transfer does not involve a change in the beneficial ownership of the securities;
(17) by way of an offer and sale of outstanding securities in an issuer transaction that is subject to the qualification requirement of Section 25110 of the Code but exempt from that qualification requirement by subdivision (f) of Section 25102; provided that any such transfer is on the condition that any certificate evidencing the security issued to such transferee shall contain the legend required by this section.

(c) The certificates representing all such securities subject to such a restriction on transfer, whether upon initial issuance or upon any transfer thereof, shall bear on their face a legend, prominently stamped or printed thereon in capital letters of not less than 10-point size, reading as follows:

""IT IS UNLAWFUL TO CONSUMMATE A SALE OR TRANSFER OF THIS SECURITY, OR ANY INTEREST THEREIN, OR TO RECEIVE ANY CONSIDERATION THEREFOR, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION OF THE STATE OF CALIFORNIA, EXCEPT AS PERMITTED IN THE COMMISSIONER'S RULES."

SUMMARY OF THE OFFERING

We have provided this summary for your convenience. Before investing, you should read this entire document and the audited financial statements attached to this Offering Circular ("**Financial Statements**").

MB Foundation's vision is to encourage Biblical principles of financial stewardship and generosity, resulting in the gathering, management, and distribution of financial resources for Christ and His kingdom.

Mennonite Brethren Loan Fund achieves this by:

- Raising capital through the sale of Certificates
- Providing financing on favorable terms to qualified organizations and individuals.

Certificate Program: We sell five types of Certificates:

Demand Certificates

- Payable on demand
- Variable interest rate
- $100 minimum investment ($1,000 minimum investment by an IRA or CESA)
- $50 minimum for each additional investment
- $50 minimum for each redemption
- Limit of two redemptions per month

Advantage Certificates

- Same terms as Demand Certificates with higher interest rate
- Available only to MB churches, organizations, pastors and missionaries, and eligible employees of conference ministries

Term Certificates

- Payable at maturity of term
- Variable interest rate
- Interest compounds monthly unless paid
- Interest payable by ACH monthly at investor's option
- $1,000 minimum investment
- $50 minimum for each additional investment
- Early redemption penalty

Negotiated Certificate

- Payable at maturity of negotiated term
- Negotiated interest rate
- $250,000 minimum investment
- Early redemption penalty

Preferred Certificate

- Payable on demand
- Variable interest rate
- Available only to MB Foundation

Individual Retirement Account ("IRA") and Coverdell Education Savings Account ("CESA") program

Certificates are available for the IRA and CESA program described on page 7. *IRA and CESA additions and withdrawals are subject to IRS regulations.*

Use of Proceeds: We expect to use the proceeds from the sale of the Certificates to make loans to MB churches, MB organizations, qualified MB individuals, and other organizations that share our values, to make select grants, to maintain liquidity, to pay our operating expenses, including the expenses of this offering, to pay interest and principal on Certificates, and to make investments to the extent the proceeds are not immediately needed for these purposes.

Loan Program: While each of our borrowers has its own unique circumstances and loan terms, our loans typically include the following terms:

- Secured by a first mortgage
- Variable interest rate set by our Board of Directors
- 5- to 15-year term for Organization Loans, and 30-year term for Home Loans
- 1% interest premium during construction

Summary Financial Information: The following chart summarizes certain financial information as of and for the fiscal year ended December 31, 2024, and should be read in conjunction with our Financial Statements.

Cash and cash equivalents	$	956,194
Investments		42,158,498
Loans receivable, net*		134,175,095
Property and equipment, net		4,484,630
Other assets		1,260,396
Total assets	**$**	**183,034,813**
Certificates	$	164,893,346
Other liabilities		72,624
Total liabilities	**$**	**164,965,970**
Net Assets, beginning of year	$	16,498,103
Net Assets, end of year		18,068,843
Change in net assets	**$**	**1,570,740**
Proceeds from Certificates	$	32,237,850
Interest reinvested in Certificates	$	7,434,212
Matured Certificates reinvested	$	43,610,158
Redemptions of Certificates	$	22,688,519

*As of December 31, 2024, we had no delinquent loans; our allowance for credit losses was $2,717,612; and we had no unsecured loans.

After reading this Offering Circular, if you want to purchase a Certificate, please complete and sign the appropriate Purchase Application and Agreements attached to this Offering Circular, and return it to us with payment. If purchasing a Certificate through an Individual Retirement Account, see "Description of Our Certificates – IRA and CESA Program" on page 6.

RISK FACTORS

Purchasing Certificates involves certain risks. Please carefully consider the following risk factors before deciding to purchase a Certificate.

Not FDIC or SIPC Insured. Our Certificates are not bank deposits. They are not issued by, and are not obligations of, a bank. They are not FDIC or SIPC insured.

No Guarantee by the U.S. Conference or MB Foundation. Neither the U.S. Conference, MB Foundation nor any other MB organization has guaranteed the repayment of our Certificates. You must rely solely on MBLF for repayment.

Your Inability to Demand Redemption. We are not obligated to redeem Term or Negotiated Certificates until they mature. Consequently, you may be unable to redeem your Certificate in the event of an emergency or for any other reason. If we choose to accommodate a request to redeem part or all of a Certificate before it matures, we may assess a penalty. See "Description of Our Certificates" on page 6.

MB Foundation's Fiduciary Responsibilities May Conflict with Our Interests. MB Foundation's responsibilities include managing funds held in trust or in endowments on behalf of other MB organizations. MB Foundation allocates a portion of the principal balance of its Preferred Certificate to trusts or endowments that it manages. At some point, MB Foundation may decide that its duties as manager or trustee of these funds require it to demand payment of some or all of the principal of its Preferred Certificate even if doing so would have adverse consequences for us. See "Description of Our Certificates—Preferred Certificate" on page 10 for more information on the Preferred Certificate.

Redemption Requests Could Exceed Available Funds. As of December 31, 2024, we had funds available in cash, cash equivalents and readily marketable securities in an amount equal to $43,114,692. This amount represents 26.1% of the total principal amount we are obligated to pay on the outstanding Certificates ($164,893,346 at December 31, 2024). A total of $66,709,817 in outstanding Certificates are scheduled to mature in 2025 or are Demand or Advantage Certificates payable on demand, based on Certificates outstanding as of December 31, 2024. In addition, MB Foundation has the right at any time to redeem its Preferred Certificate, which had a principal balance of $61,413,609 as of December 31, 2024. If the combined total of redemption requests exceeds our available funds, we might be required to sell or liquidate some or all of our assets. We cannot assure you that proceeds from selling our assets would be sufficient to fund all redemption requests. See "Certificate Program—Liquidity and Investments" on page 12.

Unsecured Debt Obligations. The Certificates are unsecured general debt obligations of MBLF, and you will be dependent solely on our financial condition and operations for repayment. As a holder of an unsecured obligation, you will have a claim on our assets equal to those of our other unsecured creditors. But the claims of any secured creditors will have priority over your claim. See "Certificate Program—Possible Secured Debt" on page 12.

Certificates May Be Subordinated. Our Certificates may in the future be subordinated to senior secured indebtedness. Although we have no senior secured indebtedness as of the date of this Offering Circular, we may pledge assets to secure loans we obtain from banks or other lenders in the future. Because our Certificates are unsecured, secured lenders that we may have in the future will have the right to be paid from our assets that are pledged to them before you and the rest of our Certificate holders. It is our current policy, however, subject to certain exceptions, to limit the amount of senior secured indebtedness to no more than 10% of our tangible assets on the date of the pledge. See "Certificate Program—Possible Secured Debt" on page 12.

Not a Commercial Lender. WE CANNOT BE COMPARED TO A COMMERCIAL LENDER. We may make loans to borrowers that cannot get financing from commercial sources. In addition, because of our relationship with our borrowers, our loan policies may be less stringent than commercial lenders and we may accommodate partial, deferred or late payments from some of our borrowers. See "Loan Program—Loan Policies" on page 14.

Regulatory Environment Could Change. If state or federal laws, rules, or requirements regarding the sale of debt obligations of charitable or other non-profit organizations change, it may become more difficult or costly to offer and sell Certificates. To the extent that we rely upon investors to renew their outstanding Certificates, an end to our ability to sell Certificates or permit renewals in some or all states could lead to a situation in which we may have insufficient liquid funds to repay all investors at maturity or upon demand according to the terms of their Certificates.

Automatic Reinvestment at Maturity. Our Term Certificates renew automatically when they mature, except for investors in certain states. See "State Specific Information" on page iii. Although we will notify you when your Term Certificate is about to mature, if you do not inform us in writing before it matures that you want to redeem the Certificate, the principal and accrued interest will automatically reinvest for another term equal to the original term at the interest rate then in effect for new Certificates of that term. You will not be able to redeem these reinvested funds without penalty or permission until the end of the new term. See "Description of Our Certificates—Term Certificates" on page 9.

Informal Appraisals. We do not always require appraisals on our collateral as part of the loan application process. Even when we do, we do not always obtain *formal* appraisals. Therefore, the value of a specific secured property could be less than we believe. Similarly, the amount outstanding with respect to a specific loan could exceed the value of the property securing it. Although we typically do conduct a site inspection for loans of significant size, there can be no assurance that we will do so in all cases.

Transfer of Certificates Prohibited. You may not transfer our Certificates without our consent; they are not negotiable and there is not now, nor will there be, a public market for them. Therefore, you should expect to hold a Certificate for its entire term.

Our Right to Redeem Certificates. We may redeem any Certificate, in whole or in part, at any time upon 30 days' prior written notice, without your consent. We may redeem Demand Certificates and Advantage Certificates with principal balances of less than the minimum investment amount. See "Description of Our Certificates—General Terms—Our Redemption Right" on page 7.

Historical Reinvestment Rates May Change. In 2024, 2023, and 2022, investors in our Term Certificates reinvested approximately 93%, 85%, and 89%, respectively, in principal amount of Certificates at maturity. We cannot assure that this rate of reinvestment will continue. A significant reduction in the rate of reinvestment could negatively affect our ability to repay maturing Certificates when due.

No Trust Indenture. We do not intend to arrange for a trust indenture to provide for the payment of principal on our Certificates. Therefore, no trustee will monitor our ongoing affairs on your behalf. There is no agreement providing for joint action by investors in the event we default on our Certificates. In addition, except as provided by law, our failure to pay the interest or principal on one Certificate will not be a default of other Certificates. Finally, you will have none of the other protections a trust indenture might provide.

Individual Retirement Accounts. A self-directed IRA or CESA may invest in Certificates if permitted by the IRA or CESA trustee or custodian. A self-directed IRA is an individual retirement account that allows the holder the option of selecting investment vehicles for the IRA. A self-directed CESA is a Coverdell education savings account that allows the holder the option of selecting investment vehicles for the CESA. Investors who invest through their IRA or CESA should consider whether the investment is in accordance with the documents and instruments governing the IRA or CESA; whether there is sufficient liquidity in the IRA should the IRA's beneficiary need to take a mandatory distribution; whether the Certificate may be redeemed if necessary for a mandatory distribution; and whether the investment could constitute a non-exempted prohibited transaction under applicable law. Consultation with a competent financial and tax adviser is recommended. See "Description of Our Certificates—IRA and CESA Program" on page 6.

No Sinking Fund or Escrow. We have not set up a sinking fund or escrow to help pay principal and interest on our Certificates; nor will we. Accordingly, we do not have funds set aside specifically for repayment of Certificates and offering proceeds will not be segregated from our other assets. Our ability to repay a Certificate will, therefore, be solely dependent on our financial condition and liquidity at the time the Certificate must be paid.

Tax Consequences. There are no income tax benefits with respect to investments in the Certificates. Interest on your Certificate will be taxable as ordinary income to you regardless of whether accrued interest is paid to you or added to the principal of your Certificate, unless the Certificate was purchased for an IRA or CESA. You cannot claim a charitable tax deduction for the purchase of your Certificate. If interest paid is below market interest, the Internal Revenue Service may, in some circumstances, impute income up to the market interest level. We may be subject to certain reporting and withholding requirements as are other interest payers. See “Tax Aspects of Owning Certificates” on page 16.

Nature of Borrowers. We make most of our loans to MB churches, MB organizations, and organizations that share our values. Their ability to repay these loans often depends on contributions they receive from their members, which may result from various factors, including, but not limited to, regional or national economic slowdown, recession, or inflation. If a borrower’s members make fewer contributions than expected, the organization may have difficulty repaying its loan. The inability of a borrower to make timely payments on its loan could adversely affect our ability to make interest and principal payments on Certificates. See “Loan Program” on page 12.

Special Purpose Properties. The real property securing our loans is generally considered special purpose property and typically has a very limited market. If we were to foreclose on any real property securing a loan, we may not be able to sell the property at a price at least equal to the amount of the loan.

Lack of Environmental Audits. We do not typically conduct an environmental audit before approving a loan. If environmental pollution or other contamination is found on or near property securing a loan, we could, in some cases, face environmental liability or our security for the loan could be impaired.

Geographic Concentration of Borrowers. The aggregate amount of our loans receivable from borrowers in California, Kansas, Washington, Utah, and Oregon is approximately 46%, 10%, 9%, 7%, and 7%, respectively, of our total loans receivable as of December 31, 2024. Adverse economic conditions, a reduction in population, or the loss of purchasing power by residents in any of these states, or the Western region of the United States generally, could correspondingly reduce the amount of contributions borrowing churches and organizations receive from their members. This could, in turn, adversely affect the ability of these borrowers to repay their loans. In addition, if real estate values were to decline in these areas, it could adversely affect the value of the properties serving as collateral for our loans. See “Loan Program—Loans Receivable” on page 13.

Geographic Concentration of Investors. As of December 31, 2024, approximately 57%, 21% and 8% of the outstanding principal amount of our Certificates were owned by investors in Kansas, California, and Oklahoma, respectively. This includes the Preferred Certificate held by MB Foundation in Kansas, which represented 37% of total outstanding Certificates. Adverse economic conditions in any of these states could correspondingly result in increased redemptions of Demand Certificates, increased requests for redemptions of Term and Negotiated Certificates, and decreased reinvestment rates for maturing Term and Negotiated Certificates owned by investors in these states. This could, in turn, adversely affect our liquidity, our ability to operate our programs, and ultimately our ability to repay Certificates. See “Description of Our Certificates” on page 6.

Concentration of Loans Receivable in Limited Number of Borrowers. Of our $136,892,707 in total loans receivable at December 31, 2024, $72,651,387, or approximately 53.1%, was owed by fourteen borrowers. At December 31, 2024, there were four individually significant borrowers whose balances totaled $41,593,579. If one or more of these borrowers is unable to repay their loans, our own ability to make interest and principal payments on Certificates could be adversely affected. It is our current policy, subject to certain exceptions, that no more than 50% of our net assets may be loaned to any one borrower. See “Loan Program—Loans Receivable” on page 13.

Unsecured Loans. Typically, our loans are secured by real property or other collateral or by third party guarantees. However, we do make some unsecured loans. We may not be able to recover all of the principal and interest on an unsecured loan if a borrower defaults.

Construction and Renovation Loan Risks. Our borrowers often use our loans to construct new facilities or renovate existing facilities. If any of the following risks associated with construction and renovation are realized, they, among other risks, could adversely affect a borrower’s ability to repay its loan by increasing construction costs or delaying or preventing completion:

- The borrower and its contractor may not sign a fixed-price construction contract.
- The contractor may not post a completion bond.
- Completion may be delayed due to, among other things, shortages of materials, strikes, acts of nature, delays in obtaining necessary building permits or architectural certificates, environmental regulations or fuel or energy shortages.

In addition, we may disburse some construction payments without first obtaining architectural certification, relying instead on the representations of the borrower. If these representations are incorrect, we may advance more money than is warranted by the state of construction completed. See "Loan Program—Loan Policies" on page 14.

Loan Participations. We may sell participation interests in our loans to other parties. Although the buyer typically assumes the risk of loss, we may have obligations to the buyer and restrictions on our ability to modify or restructure the loan or foreclose on the collateral. We also may purchase participation interests in loans, in which case we typically receive payments only from the lender upon the lender's receipt of payments from the borrower. We may not have a senior claim to the lender's interest in the loan and may not be able to control the exercise of any remedies under the loan.

Liability for U.S. Conference and MB Foundation Debts. Because we are incorporated separately from the U.S. Conference and MB Foundation, we are generally not liable for claims against them or their affiliates. Nevertheless, our affiliation with them could lead to claims against us for matters involving them or their affiliates. If a claim like this were made, it would adversely affect our financial condition.

Inability to Reinvest. While we intend to maintain all required registrations and exemptions in the states where we offer our Certificates for sale, we may not always be able to do so. If we are unable to maintain the appropriate registrations or exemptions in your home state, you may be unable to reinvest the proceeds of your Certificate, make additional investments in it, or purchase new Certificates. In addition, we are not registered or exempt from registration in all states, so if you move to another state you may be unable to reinvest the proceeds of your Certificate, make additional investments in it, or purchase new Certificates.

Right to Change Policies. At various points in this Offering Circular, we describe our policies, such as our loan policies described on page 14, and our investment policies described on page 19. These descriptions are intended to help you understand our current operations. We reserve the right to change our policies, including our loan and investment policies and other policies and procedures in the future.

We May Sell Additional Certificates in Other Offerings. We expect to sell additional Certificates and/or other types of debt securities in other offerings. The total amount of $150,000,000 to be sold in this offering is not a limitation on the amount of Certificates or other debt securities we may sell in other offerings we may conduct at any time. We have sold our Certificates in other offerings in prior years and anticipate that we will continue to sell additional Certificates or other debt securities as part of this continuous offering process.

Management of MBLF. Control of MBLF is exercised by our Board of Directors. You will not have voting rights or other rights to participate in the management of MBLF or any of its affiliates by virtue of an investment in the Certificates.

Our Investments Are Subject to Market Risks. We may invest some of our liquid assets in marketable securities, which are subject to various market risks that could result in losses if market values decline. In addition, our investments may exceed FDIC and SIPC limits and may not, therefore, be protected by those programs.

Our Remedies as a Lender May Be Subject to Certain Limitations. Our remedies as a lender are subject to limitations and borrower protections imposed under applicable bankruptcy and other laws. Our remedies as a creditor upon default by any of our borrowers will be subject to various laws, regulations and legal principles that provide protections to borrowers. Our legal and contractual remedies, including those specified in our loan agreements and mortgages, typically require judicial actions, which are often subject to discretion and delay. Under existing law (including, without limitation, the Federal Bankruptcy Code), the remedies specified by our loan agreements and mortgages may not be readily available or may be limited. A court may refuse to order the specific performance of the covenants contained in the loan agreements and mortgages. In addition, the laws of a particular jurisdiction may change or make it impractical or impossible to enforce specific covenants in the loan agreements.

In addition, the various security interests established under the loan agreements and mortgages with borrowers will be subject to other claims and interests. Examples of these claims and interests are:

- Statutory liens;
- Rights arising in favor of the United States, or any agency thereof;
- Constructive trusts or equitable liens otherwise imposed or conferred by any state or federal court, including the exercise of its equitable jurisdiction; and

- Federal bankruptcy laws or bankruptcy laws of another jurisdiction affecting amounts earned by the borrower after institution of bankruptcy proceedings by or against the borrower.

We Could Experience Conflicts of Interest. Due to our close relationship with the U.S. Conference, MB Foundation and MB churches and organizations, we may be subject to conflicts of interest that potentially could be adverse to investors. See "Our Organization and Its History" on page 10 and "Financial Discussion and Analysis—Related Party Transactions" on page 18.

Our Collateral May Be Uninsured or Inadequately Insured. As a result, if fire or other casualty damages our collateral, we may not be able to recover against it.

We Utilize Digital Technologies in Our Operations. We utilize digital and cloud-based technologies and services in our operations, many of which are provided by third party vendors. We rely upon these vendors and these technologies and services for maintaining, processing, delivering, and storing proprietary data and other records related to our business. This data includes confidential customer information. Storing and delivering electronic data has inherent risks, including, without limit, unauthorized access to data, data theft, temporary or permanent loss of data, and hardware and software failure. While we and our vendors have taken steps to protect against these risks, there is no guarantee these measures will be 100% effective in safeguarding the electronic data we maintain or the services we utilize. If you choose to utilize our digital services, including our online account access portal, we can offer no assurances or make any warranties as to the accuracy and availability of such technologies or the data contained therein.

Public Emergencies. We cannot predict and are exposed to the risks of a pandemic or other public emergency, economic recession or disruption, market volatility, and economic and financial crisis, including any resulting decreased contributions to our borrowers.

This Offering Circular may contain forward-looking statements about our plans, strategies, objectives, goals, and expectations. These forward-looking statements are identifiable by words or phrases indicating that we "expect," "anticipate," "project," "plan," "believe," or "intend" that a particular event may or will occur in the future or similarly stated expectations. These forward-looking statements are subject to many factors, including the above Risk Factors and the other information contained in this Offering Circular that could cause actual results to differ materially from the stated expectations. We undertake no obligation to update or revise any forward-looking statements to reflect developments or information obtained after the date of this Offering Circular.

DESCRIPTION OF OUR CERTIFICATES

We are offering up to $150,000,000 in unsecured Certificates on a national basis. This section describes the terms of our Certificates, subject to any state-specific requirements set forth in "State Specific Information" on page iii.

General Terms

Our Demand, Advantage, and Term Certificates share the features and terms described in this subsection. Our Negotiated Certificates share the features and terms described in this subsection unless otherwise agreed by us and the investor. For information on the terms of the Preferred Certificate, see "Preferred Certificate" below.

Plan of Distribution

We sell our Certificates only through our officers and employees, and only by this Offering Circular. We do not use underwriters or outside selling agents, and no direct or indirect commissions or other remuneration will be paid in connection with the offer and sale of the Certificates. If you wish to purchase a Certificate other than through an IRA or CESA, please complete the Purchase Application and Agreement attached to this Offering Circular and return it with payment in the amount of your investment. If purchasing a Certificate through an IRA or CESA, see "IRA and CESA Program" below. We accept only cash, checks, money orders and similar cash payments in exchange for Certificates. We do not accept third party checks. Certificates are issued for 100% of the principal amount invested.

IRA and CESA Program

Certificates may be held as investments for IRAs and CESAs. We do not represent that a Certificate is a permitted investment for an IRA or CESA and, therefore, you should consult with your tax advisor and account custodian before directing a purchase of a Certificate for your IRA or CESA. Responsibility for establishing an IRA or CESA that will qualify for tax deferral under applicable provisions of the tax law dealing with IRAs or CESAs rests with you.

However, we have made arrangements with Assemblies of God Credit Union of Springfield, Missouri (“**AGCU**”), to act as the trustee or custodian of a self-directed IRA or CESA and invest the account’s funds in our Certificates as directed by the investor. We do not regard these arrangements with AGCU, or the separate IRA or CESA for which a custodian acts as trustee or custodian, as securities, and no separate securities registration or filing has been made with respect to them. These arrangements are merely a method by which you can provide for the investment of funds in the Certificates offered by this Offering Circular through your IRA or CESA. More information on these arrangements for IRAs, CESAs, and other investment options is available upon request.

Please be aware that an IRA or CESA custodian may assess fees, including a processing fee for annual distributions, closure of an IRA or CESA, or various other services, and you will need to enter into a separate and independent account agreement with the account custodian.

No penalty will be assessed for early redemption of a Term Certificate held by an IRA if the early redemption is required to meet a required minimum disbursement of the IRA or of a Term Certificate held by a CESA if the early redemption is required for a mandatory distribution of the CESA.

Interest Rates

Our Demand, Advantage, and Term Certificates have a variable interest rate, which is set by our Board of Directors from time to time based on market conditions, prevailing interest rates and other applicable indicators. Negotiated Certificates may have either a variable interest rate or a fixed interest rate, depending on the agreement made with the investor. You will be notified in writing of any change to the interest rate on your Certificate. Generally, no change will be effective earlier than 30 days after we have mailed you the notice though we may waive this limitation in the event of an increase in the interest rate that would benefit investors. A change in the interest rate of a Term or Negotiated Certificate will not give you any additional right to redeem the Certificate before it matures.

Interest on our Term Certificates accrues daily and is added to the principal balance (compounded) on the last day of each month, and at maturity if a Term Certificate is renewed for an additional term. Investors may elect to have accrued interest in excess of $25 paid to them monthly by ACH transfer to the investor’s bank account. Currently, ACH transfers of interest are made on the third day of the applicable month. Principal and interest due at maturity is not paid by ACH transfer.

General Debt Obligations

The Certificates are our unsecured general debt obligations, and you will be dependent solely on our financial condition and operations for repayment. As a holder of an unsecured obligation, you will have a claim on our assets equal to those of our other unsecured creditors. But the claims of any secured creditors will have priority over your claim. See “Certificate Program—Possible Secured Debt” on page 12.

Transferability

Our Certificates are not transferable without our consent. You may not sell them, pledge them as collateral, or give them away without our express written consent.

Our Redemption Right

We may redeem any Certificate, in whole or in part, at any time upon 30 days’ prior written notice, without your consent. We reserve the right to redeem Demand Certificates, Advantage Certificates, and Term Certificates with principal balances of less than the minimum investment.

Ownership

Individuals may purchase and hold our Certificates in one of four ways:

- **Individually.** Owned by a single individual or entity.
- **Joint tenant with right of survivorship.** The surviving Certificate owner becomes the sole owner upon the death of the other owner.
- **Trusts.** Certificates may be purchased in the name of trusts, both revocable and irrevocable. When Certificates are purchased in this form, they will be issued in the name of the trust listed on the Purchase Application & Agreement. We reserve the right to request trust and other documents we deem necessary to confirm the identity and powers of the trustee(s).
- **IRAs and CESAs.** Certificates may be purchased through IRAs and CESAs. See “IRA and CESA Program” above.

If you hold your Certificate individually, you may designate that we pay the principal and any accrued interest to a specific individual or organization at your death. As a joint tenant, ownership of the entire Certificate would pass to you when the other owner dies.

To hold your Certificate as trustee of your own living trust, you must have set up a living trust. While we will facilitate the purchase of a Certificate in trust, you should contact a planned giving advisor at MB Foundation, an attorney, or a financial planner for assistance with setting up a living trust.

Donations

Unless you are a resident of California or Kentucky, you may opt to donate the principal and accrued interest on your Certificate to a 501(c)(3) organization of your choice. However, we may refuse to honor a donation request, particularly if the donation is to an organization that we, in our discretion, determine to be contrary to our mission or that of the U.S. Conference.

The donation may be made effective immediately or upon your death. When a donation is effective, we will redeem your Certificate and donate the outstanding principal and accrued interest according to your written instructions. If your donation of a Certificate is effective immediately, we generally will redeem your Certificate immediately without penalty.

You may revoke a donation that is to be made effective at your death at any time. But your heirs, beneficiaries or personal representatives may not revoke a donation after you die. An immediately effective donation is not revocable.

If you would like to make a donation with regard to a Certificate, please contact us for the appropriate paperwork.

Additions to Principal

You may make additions of at least $50 to the principal of your Certificate at any time. For Certificates that are not held in an IRA or CESA, simply send us payment for the additional amount and indicate the Certificate number that it is to be added to. Please contact us regarding additions to Certificates held in IRAs or CESAs. Additions to Term and Negotiated Certificates will mature at the same time the initial investment matures.

Direct Deposit

Holders of Demand, Advantage, Term or Negotiated Certificates may authorize monthly investments of $50 or more to be transferred electronically from their bank account or other account. You may choose to invest with direct deposit by completing an ACH authorization form and returning it to us for the account to be debited. An ACH authorization form is available upon request. You should allow 10 business days from the time we receive the form before the direct deposit will occur. This authority will remain in effect until we have received written notification from you to terminate or change the terms of the direct deposit. You should allow 30 days from the time we receive a notice for the change to take effect.

Direct Deposit is also available with Certificates held as IRA and CESA investments. Contact our office for details.

Book Entry System

We currently use a book entry system to record ownership of all our Certificates. Therefore, we do not expect to send you a document representing your Certificate. We will, however, send periodic statements for each Certificate you own, showing the then outstanding balance on your Certificate.

<u>Demand Certificates</u>

Our Demand Certificates give investors the opportunity to redeem all or part of the principal balance at any time subject to certain conditions discussed below.

Redemption

You may redeem all or part of the principal balance of a Demand Certificate at any time. However, when you do, you must redeem at least $50. In addition, you may only redeem funds up to two times each month. We will pay any redemption of your Demand Certificate to you within 30 days after we receive your request, although we generally can honor requests much more quickly. All accrued interest will be paid if the Certificate is fully redeemed.

Minimum Investment

To purchase a Demand Certificate, you must initially invest at least $100, or $1,000 for a Demand Certificate purchased by an IRA or CESA. Thereafter, you may make additions of at least $50 to the principal of your Certificate at any time. We reserve the right to redeem a Demand Certificate when its principal balance and accrued interest fall below the minimum investment amount.

<u>Advantage Certificates</u>

Our Advantage Certificates differ from our Demand Certificates in two ways. First, they typically carry a higher interest rate. Second, only MB churches and organizations and the following individuals may purchase an Advantage Certificate:

- Current and retired MB pastors;
- Current and retired MB missionaries; and
- Current employees of Fresno Pacific University, MB Foundation, Multiply, Tabor College, U.S. Conference, MB district conferences, and MB churches.

Otherwise, the terms of an Advantage Certificate are the same as those of a Demand Certificate, including that it may be purchased through an IRA or CESA.

Term Certificates

Our Term Certificates have various terms and may not be redeemed without our consent before they mature.

Like our Advantage Certificates, Term Certificates earn interest at a variable rate that is typically higher than that of Demand Certificates. At any particular time, the interest rate on new Term Certificates will exceed the interest rate then in effect for new Demand Certificates by at least—and often more than—one half of a percentage point.

Minimum Investment

To purchase a Term Certificate, you must invest at least $1,000. Thereafter, you may make additions of at least $50 to the principal of your Certificate at any time. We reserve the right to redeem a Term Certificate when its principal balance and accrued interest fall below $1,000.

Maturity

At the end of your Term Certificate's term, you may redeem either all or a part of the then outstanding balance and accrued interest on the Certificate. We will send you a notice at least 30 days before your Term Certificate matures. Unless you have already received one, we will also send you a current Offering Circular.

To redeem your Certificate when it matures, you must notify us in writing before the maturity date that you wish to do so. If you want to redeem less than the entire outstanding balance, your notice should also include the amount you wish to redeem. As long as it still meets the minimum balance requirements, any unredeemed portion of your Certificate will be renewed for another term equal to the term just completed, except for investors in certain states. See "State Specific Information" on page iii. If the unredeemed portion is less than the then current minimum investment amount, we may return the entire outstanding balance of the Certificate to you. Investors are encouraged to process redemption requests at maturity with a renewal instructions form.

Except for investors in certain states (see "State Specific Information" on page iii), if you do not notify us as described above, the entire outstanding balance and accrued interest of your Term Certificate will renew for another term equal to the term just completed. There is no limit on the number of times a Term Certificate can renew in this manner. However, in the case of a Term Certificate initially purchased under a promotion that specified a different initial rollover term, the Term Certificate will automatically renew for the specified term at the then current interest rate for that term. If we are offering a separate interest rate for investments of only new funds at that time, that separate interest rate will not apply to a rollover or reinvestment, and only the rate then applicable to rollovers or reinvestments not involving new funds will apply.

Early Redemption

Generally, you may not redeem a Term Certificate prior to maturity. If we allow you to do so, we reserve the right to charge you an early redemption penalty. Our current penalty as of the date of this Offering Circular is equal to the forfeiture of six months of interest calculated at the interest rate in effect on the date we receive notice of a request for early redemption. We may retain both accrued interest and outstanding principal to pay this penalty. We reserve the right to change the amount of the early redemption penalty applicable to outstanding Certificates at any time.

Negotiated Certificates

If we determine, in our sole discretion, that your total investment level in our Certificates is $250,000 or more, we may, in our sole discretion, designate any Certificate you purchase as a Negotiated Certificate. If we make that designation, we may also negotiate the interest rate and term to maturity of the Negotiated Certificate. All of the other terms of Certificates that are designated as Negotiated Certificates will be the same as the standard terms for Certificates of their respective type. Once the interest rate and term to maturity of a Negotiated Certificate are agreed upon between us, the terms of that Certificate will no longer be subject to further negotiation.

Your existing Certificates do not automatically convert to Negotiated Certificates and they will continue to be subject to all terms applicable to the standard Certificates of that type unless we agree to the designation.

If your total investment level falls below $250,000, any Negotiated Certificate that you hold will earn interest at the standard interest rate then in effect for the applicable type of Certificate. We may include Certificates held by your family or affiliates in your "total investment level," as we determine, except that Certificates held jointly, in the name of a minor, or in the name of a business may only be attributed to one of the parents or owners, as the case may be, in determining an investor's total investment level.

Preferred Certificate

Our Preferred Certificate is available only to MB Foundation, which may invest in the Preferred Certificate on its own behalf, as the manager or trustee of donated funds, or in other fiduciary capacities. The Preferred Certificate is payable upon demand by the Foundation. As of December 31, 2024, this Preferred Certificate had an outstanding principal balance of $61,413,609.

Like all our Certificates, we reserve the right to redeem the Preferred Certificate, in whole or in part, at any time upon 30 days' prior written notice.

The interest rate on the Preferred Certificate is adjusted each month based on indicators including the average rate of return on our outstanding loans and other interest-bearing assets, and other factors in accordance with policies set by our Board of Directors from time to time. The interest rate ranged between 5.175% and 7.080% during 2024.

USE OF PROCEEDS

We expect to use the cash proceeds from the sale of our Certificates in this offering for one or more of the following primary purposes:

- To make loans to churches, organizations and qualified individuals within the U.S. Conference or affiliated with an MB organization, that subscribe to the Confession of Faith of the U.S. Conference, or that otherwise share our values, mainly for the acquisition, construction, renovation, maintenance, operation and improvement of churches, real property, facilities and equipment.
- To make grants to qualified MB churches and organizations, including MB Foundation, as our Board of Directors may occasionally determine.
- To increase, maintain or support our liquidity.
- To pay operating expenses.
- To pay the expenses of this offering, which we anticipate to be less than one percent (1%) of the total offering amount.
- To pay interest or principal on any Certificates we have issued
- To the extent we do not immediately use funds for any of the above purposes; we may add them to our general fund.

OUR ORGANIZATION AND ITS HISTORY

Our Organization

MBLF is a religious not-for-profit corporation serving the financial needs of conferences, churches, institutions and agencies affiliated with the U.S. Conference, MB organizations, and other organizations that share our values, and their members. We were incorporated under the laws of the state of Kansas in 2002 and are exempt from federal income taxation under Section 501(c)(3) of the Code. Our principal business office is 200 East D St, Hillsboro, Kansas 67063.

Our primary purpose is to offer financial support through loans and grants to churches and organizations affiliated with the U.S. conference, MB organizations, and other organizations that share our values to help them achieve their established goals. To this end, we raise capital by soliciting donations and selling Certificates, including, but not limited to, the $150,000,000 of Certificates offered on a national basis by this Offering Circular. These Certificates, which provide general obligation financing for us, are not specifically secured by particular loans to specific borrowers. However, with the capital raised through selling the Certificates, we are able to make loans with competitive rates and favorable terms to qualified churches, organizations and individuals for capital improvement projects. As with everything we do, we seek to manage funds consistent with our Christian faith—with accuracy and prudence.

Our Association with the U.S. Conference

In addition to assisting churches, institutions and other agencies related to the U.S. Conference, we are closely tied to the U.S. Conference through our

Board of Directors. Each of our directors was approved by the U.S. Conference.

The U.S. Conference can trace its roots to the Mennonite Brethren Conference, which began in 1879 with a vision for mission and education. Within five years, funds had to be gathered to send missionaries to India and to start a school. Later formalized as the General Conference of Mennonite Brethren Churches, the Conference included all Mennonite Brethren church members within Canada and the United States.

In 1963, the U.S. Conference was incorporated in the state of Kansas. The vision of the U.S. Conference is (i) to provide Biblical guidance for the Mennonite Brethren Churches throughout the United States, (ii) to encourage an assertive program of evangelism and church planting, and (iii) to develop and affirm leadership in all levels of MB organization ministry. The mission of the U.S. Conference is to be an extension of and resource to the local church in fulfilling the Great Commission in disciple making, in evangelism and in planting and nurturing churches.

Our History

Although MBLF was not incorporated until 2002, our functions originated with the General Conference of Mennonite Brethren Churches Board of Trustees in the early twentieth century. Our loan program was eventually passed to the U.S. Conference, then to MB Foundation, before coming to rest with us on December 31, 2002.

In the tradition of the organizations that previously handled the loan program, we continue to provide financing to MB churches, MB organizations, qualified MB individuals and other organizations that share our values.

Relationship with MB Foundation

We have a unique relationship with MB Foundation. MB Foundation is the "parent" organization of MBLF and exercises control over MBLF through common Boards of Directors. The members of our Board of Directors also serve on MB Foundation's Board of Directors. MB Foundation also handled the Certificate and loan programs prior to our incorporation and is the sole investor in the Preferred Certificate. See "Description of our Certificates—Preferred Certificate" on page 10. MB Foundation and MBLF are separate corporations and neither is liable for the obligations and indebtedness of the other. MB Foundation is not the issuer of the Certificates and has not guaranteed repayment of the Certificates.

CERTIFICATE PROGRAM

Our Certificate Program consists of our Certificate selling and repayment activities.

Outstanding Certificates

As of December 31, 2024, we had outstanding Certificates as follows:

Certificate Type	Principal Balance	Interest Rate at 12/31/24
Demand		
Advantage	$ 17,363,489	3.80%
Demand	10,058,951	3.50%
Preferred	61,413,609	5.19%
	88,836,049	
Term		
One year	20,826,033	4.50%
15 month	4,872,063	5.15%
Two year	4,678,358	4.55%
Three year	5,251,428	4.60%
Four year	708,170	4.65%
Five year	39,721,245	5.00%
	76,057,297	
	$ 164,893,346	

These Certificates are scheduled to mature as follows:

Year of Maturity	Amount
Demand	$ 88,836,049
2025	39,287,377
2026	12,809,130
2027	11,168,100
2028	5,5044,785
2029	7,747,905
	$ 164,893,346

At December 31, 2024, we had 254 investor households with aggregate investment certificate balances of $100,000 or more as follows:

Certificate Balances	Number of Investor Households	Amount	% of Certificate Balances Outstanding
$100,000-$200,000	117	$ 15,872,653	10%
$200,001-$300,000	52	13,034,071	8%
$300,001-$500,000	44	16,160,591	10%
Greater than $500,000	37	39,029,275	24%
Related parties	4	62,504,468	38%
	254	$ 146,601,058	90%

As of December 31, 2024, approximately 57%, 21%, and 8% of the outstanding principal amount of our Certificates were owned by investors in Kansas, California, and Oklahoma, respectively. Investors from these three states aggregately represented 86% of the outstanding principal amounts of our Certificates, as of December 31, 2024.

Our coverage ratio of available cash to cash redemptions, for each of the most recent 3 years of December 31, was as follows:

	2024	**2023**	**2022**
Cash and equivalents, beginning of year	$ 1,099,777	$ 495,075	$ 1,147,122
Investments, beginning of year	28,761,984	25,794,308	46,869,343
Net cash provided by operating activities	8,551,226	3,036,363	5,268,623
Loan advances	(27,169,169)	(20,628,419	(35,924,774)
Loan principal received	22,162,148	17,041,792	10,594,097
Total proceeds from Certificates	32,237,850	39,802,308	27,078,252
Less denominational account proceeds from certificates	(15,045,329)	(13,940,558)	(16,247,554)
Total available cash	$50,598,487	$51,600,869	$38,785,109
Total redemptions of certificates payable	$22,688,519	$38,240,625	$24,275,228
Less denominational account redemptions not in excess of denominational account proceeds from Certificates	(8,269,505)	(13,940,558)	(14,913,681)
Cash redemptions	$14,419,014	$24,300,067	$ 9,361,547
Coverage ratio of available cash to cash redemptions	**3.51:1**	**2.12:1**	**4.14:1**

Sales, Redemptions and Reinvestments

In 2024, we received a total of $32,237,850 in cash proceeds from sales of our Certificates, and experienced a total of $22,688,519 in Certificate redemptions. Of the $46,678,201 in principal amount of Term Certificates that matured in 2024, $43,610,158 was reinvested at maturity, resulting in a reinvestment rate of 93.4%.

Liquidity and Investments

As of December 31, 2024, we had $956,164 in cash and cash equivalents, and $42,158,498 in investments. Together, this represents 26.1% of the total principal amount we are obligated to pay on the outstanding Certificates ($164,893,346 as of December 31, 2024).

Additional information with regard to all of our assets is set forth in the "Investing Activities" section on page 19 and in the Financial Statements.

Possible Secured Debt

Currently, we have not pledged any assets as collateral for any of our outstanding indebtedness. If we did so, the assets pledged as collateral could not be used to pay off Certificates until the other indebtedness was paid in full. In other words, the Certificates would be "subordinated" to "senior secured indebtedness."

Should we subordinate your Certificate to the claims of future creditors by creating, incurring or voluntarily permitting liens upon our assets or otherwise using our assets to secure a loan or other obligation, it is our current policy that the senior secured indebtedness would not exceed 10% of our tangible assets, unless it is one of the following:

- A lien or charge for current taxes, assessments or other governmental charges that are not delinquent, that remain payable without penalty, or that are contested in good faith as invalid.
- A surety bond, an appeal bond, a bond for the release of an attachment or for stay of execution, or a lien made to secure a statutory obligation.
- A judgment lien.

LOAN PROGRAM

We offer loans to MB churches, MB organizations, and other organizations that share our values at competitive rates and on favorable terms to help them achieve their goals. We also sometimes offer home loans to qualified church, district, and conference employees. This section describes these lending activities.

Loans Receivable

As of December 31, 2024, we had 173 loans outstanding totaling $136,892,707 to 135 borrowers as follows:

Loan Balance	Number of Borrowers	Principal Outstanding	% of Loan Portfolio
$0 - $500,000	72	$ 13,924,467	10%
$500,001 - $1,000,000	27	18,371,784	14%
$1,000,001 - $1,500,000	14	17,623,681	13%
$1,500,001 - $2,000,000	8	14,321,388	10%
$2,000,001 - $2,500,000	4	8,817,028	6%
$2,500,001 - $3,000,000	1	2,783,130	2%
Over $3,000,000	9	61,051,229	45%
	135	136,892,707	100%
Less allowance for credit losses		(2,717,612)	
Loans receivable, net		$ 134,175,095	

Loans receivable at December 31, 2024, will mature as follows:

Year	Amount
2025	1,949,245
2026	18,665,078
2027	29,158,166
2028	15,033,257
2029	11,059,250
Thereafter	61,027,711
	$ 136,892,707

The aggregate amount of our total loans receivable from borrowers in California, Kansas, Washington, Utah, and Oregon was approximately 46%, 10%, 9%, 7%, and 7%, respectively. These five states together represented 79% of our total loan portfolio at December 31, 2024. No other state contained a concentration of greater than 5%.

Of our total loans receivable, $132,885,607 (97.1%) was secured by mortgages or deeds of trust; $4,007,100 (2.9%) was secured by collateral other than real property; and none was unsecured.

Loan Commitments

As of December 31, 2024, we had outstanding loan commitments totaling $12,760,356, which consisted of $7,257,745 of undrawn lines of credit and $5,502,611 in existing but unfunded construction loan commitments. Of these commitments, $600,000 would be unsecured if drawn upon. A portion of these commitments will likely expire without being fully drawn upon, so the total amount of commitments is not a direct representation of future cash requirements.

Organization Loans

Under our loan program, we make loans to churches and organizations within the U.S. Conference or affiliated with an MB organization, that subscribe to the Confession of Faith of the U.S. Conference, or that otherwise share our values (“**Organization Loans**”), mainly for the acquisition, construction, renovation, maintenance, operation and improvement of churches, real property, facilities and equipment. We also may make lines of credit available to borrowers, which would be Organization Loans if drawn.

For an MB church to qualify for a loan, we generally ask that it demonstrate fellowship and cooperation with the U.S. Conference and include approved U.S. Conference ministries in its budget. Other organizations will typically qualify for Organization Loans if they are affiliated with the U.S. Conference or an MB organization, subscribe to the Confession of Faith of the U.S. Conference, or otherwise share our values.

At December 31, 2024, we had $127,172,415 in total Organization Loans receivable. Organization Loans generally earn interest at a variable rate. The maturity dates of these loans range from 2025 to 2043. The weighted average interest rate on these loans was 6.86% at December 31, 2024. These loans are secured by a mortgage or deed of trust.

Home Loans

We also offer home loans for the refinancing, purchase or construction of primary residences in the United States for qualified church, district, conference, and MBLF employees (“**Home Loans**”).

As of December 31, 2024, we had 51 outstanding Home Loans with an aggregate principal outstanding of $9,720,292, or 7.1% of our total loans receivable. These loans had maturity dates ranging from 2027 to 2057. Each of these loans is secured by a mortgage or deed of trust on the property. Home Loans generally have a 30-year term and earn interest at a 5-year adjustable rate. The weighted average interest rate on our outstanding Home Loans as of December 31, 2024, was 3.45%.

Loan Delinquency and Restructuring

Due to the nature of our relationship with our borrowers, we are willing to make accommodations with borrowers whose payments are not current, so long as such accommodations do not, in our opinion, jeopardize the interests of our investors. A loan is considered impaired when, based upon current information and events, it is probable that we will be unable to collect all amounts due according to the contractual terms of the loan agreement. Loans are classified as delinquent when payments are 90 days overdue.

As of December 31, 2024, we had no delinquent loans and no impaired loans. As of December 31, 2023, we had no delinquent loans and no impaired loans, and as of December 31, 2022, we had one delinquent loan with a balance of $546,081.

During 2020, we allowed 25 borrowers to make loan modifications due to the impact of the COVID-19 situation. These loans were not considered impaired, delinquent, past due, or restructured. As of December 31, 2020, all of these loans had returned to normal. We also provided a "Borrower Relief Grant" to all of our borrowers in April 2020, equal to one month's interest.

Allowance for Credit Losses

We have established an allowance for credit losses which is maintained at a level that, in management's judgment, is adequate to absorb "expected credit losses" over the lifetime of the loans. The amount is based upon analysis of the loan portfolio by management, including calculating an annual charge-off rate that is applied to the contractual term of each loan pool to determine the historical charge-off rate. Further consideration is given to qualitative adjustment factors that include size of loan, loan-to-value calculations, delinquencies, and other special concerns. This process is based on estimates and ultimate losses may vary from current estimates. In 2024, management engaged in this analysis and determined to make no change to our allowance for credit losses, which remained at $2,717,612. See Note 4 of the Financial Statements.

Participations

We may sell participation interests in our loans to third parties from time to time, including a pro-rata interest in the collateral securing the loan. When we do so, we continue to service the loans and remit a portion of each loan payment we receive from the borrowers to the buyers of the participation interest. The participations are non-recourse, which means that we will have no obligation to repurchase the portion of the loan we sold, and that the purchaser will assume the risk of loss on that portion of the loan. Accordingly, the portions of the loans we sell are not included in our outstanding loans receivable figures. It is our practice not to securitize any portion of our loan portfolio, and as of the date of this Offering Circular no portion of our loan portfolio was securitized.

We may also purchase participation interests in individual loans from third party lenders. Under these loan participation agreements, the third-party lenders maintain all records, collect all payments and remit monthly the appropriate pro rata share of both interest and principal collected on the loans. These agreements typically provide that we will share ratably with the third-party lenders in the event of any extraordinary expenses required to preserve the collateral or enforce the lender's rights with respect to the loan. Similarly, we share ratably in the costs and proceeds in the event of any foreclosure, sale of collateral or other collection action. Our right to take any enforcement action with respect to the borrower or collateral of any of these loans is subject to the cooperation of the third-party lender who originated the loan. These purchased participation interests are included in loans receivable in the Financial Statements.

At December 31, 2024, we owned $12,463,763 of participation interests in three loans originated by other lenders. These purchased participation interests were purchased without recourse, are secured by real property, and are included in loans receivable in the Financial Statements. During 2024, we did not sell any participation interests in loans that we originated. As of December 31, 2024, we had $3,349,963 outstanding in participation interests in one loan we made and service, but participated to another lender.

Loan Policies

Our Board of Directors has set certain policies that govern which borrowers we lend to and the terms of our loans. In addition, the Board of Directors generally reviews and must approve each loan application and its terms. However, our current policy allows an administrative committee composed of officers and directors to approve Organization Loans up to $1,000,000 and up to $2,000,000 to borrowers that meet certain criteria, and Home Loans up to $500,000, though our Board of Directors may change this policy in its discretion.

Each loan application we receive represents a unique borrower in unique circumstances. Our Board of Directors recognizes that certain policies may not be appropriate for every borrower or every circumstance. Therefore, it may, in its discretion, decide not to follow all the loan policies described in this Offering Circular when determining whether to make a loan to a particular borrower. Due to the unique nature of each borrower and its circumstances, we cannot predict which of the following policies, if any, our Board of Directors may choose not to follow.

General Policies

We typically require borrowers to secure our loans with a first mortgage or deed of trust on the borrower's real estate. To protect this interest in the real estate, it is our policy to require borrowers to provide title insurance to us from an approved underwriter and to maintain property insurance payable to us protecting against the loss of or damage to the real estate by fire, flood or other common disaster. In addition, we often will not close on the loan or advance funds until the property has been inspected by one of our representatives.

We also may accept collateral in the form of equipment or similar property; automobiles; cash, cash equivalents and investments; and third-party guarantees. We may on occasion make loans that are not secured.

Most of our loans have a variable interest rate, which is set by our Board of Directors for Organization Loans and by our staff for Home Loans. The Board reviews the interest rates on Organization Loans at least twice a year and may raise or lower them as it sees fit in light of market conditions and other factors, such as the prime rate and our operational needs and financial condition. We may also adjust a borrower's monthly payments to reflect a change in the interest rate.

Typically, on loans to non-MB organizations we charge a 1% origination fee and an interest rate set by our Board of Directors, which will be higher than the standard rate.

We also may make line of credit loans, which typically will have an interest rate one half percentage point higher than the applicable rate for the borrower.

We rarely make Organization Loans with a term longer than 15 years. But we may allow payments on a 25-year amortization schedule with a balloon payment of the balance due at the end of the 15-year period. Generally, borrowers may make prepayments on the principal of the loan without penalty. If a borrower defaults on a payment and fails to make the payment after receiving an overdue notice, we may accelerate the loan, making the principal and accrued interest immediately due and payable.

When we provide loans to construct new buildings, generally the borrower may not begin construction until the loan has been closed. Before we release any funds, one of our representatives typically inspects the site to confirm that the work for which the draw on the loan is being made has been completed. Finally, during construction, we often assess a one percent (1%) interest rate premium on the loan. When the borrower makes the final draw and the loan is amortized, interest on the loan begins to accrue at the then current rate.

Organization Loan Policies

When we make Organization Loans, we may request a meeting with appropriate church committees or institutional boards. We use these meetings to discuss the building plans and specifications, the church or institution's role in the loan process, and our purposes and obligations in the administration of our loan program.

We typically ask a borrowing organization to provide us with financial information that demonstrates its ability to service the debt. Examples of financial information we often consider include financial statements, written budgets and other adopted financial plans. We also examine this information for evidence that the borrowing organization has consistently supported other MB organizations such as conferences and ministries, if applicable.

We typically will not make a loan to an organization if the loan would cause payments on its overall debt to exceed 40% of its annual receipts. Organizations may also have to agree that they will not incur additional debt that would cause them to exceed this limit without our written permission.

Generally, Organization Loans are not for more than 75% of the lower of aggregate cost or value of the property securing the loan. We typically obtain an appraisal or broker price opinion to verify the fair market value. If an approved guarantor guarantees the loan, we often waive this 75% limitation. We usually also consider whether a church applying for a loan is located in a community where it can realistically be maintained.

Home Loan Policies

Applications for Home Loans generally must include a credit report and a property appraisal.

A base interest rate is calculated by taking the Enterprise 11th District COFI Replacement Index plus a margin. Adjustments are calculated off of the borrower's credit score and down payment or loan to value ratio.

Interest rates will not be lower than the rate offered on the 5-year Term Certificates at the time the loan is made, and are adjustable every five (5) years. Standard amortization is 30 years.

A Home Loan is generally not transferable. Therefore, it may not be assigned to or assumed by a party other than the borrower without our written consent. In addition, when the borrower sells the property, the loan often becomes immediately due and payable.

TAX ASPECTS OF OWNING CERTIFICATES

By purchasing a Certificate, you may be subject to certain income tax provisions of the Internal Revenue Code ("**Code**"). Some of the significant federal income tax aspects of purchasing a Certificate include the following:

- Although MBLF is a 501(c)(3) organization, you will not be entitled to a charitable deduction for the Certificate you purchase.
- Any interest on your Certificate will be taxed as ordinary income in the earlier of the year it accrues or the year in which it is paid to you.
- If required, we will provide you with a Federal Income Tax Form 1099-INT or the comparable form by January 31st of each year indicating the interest earned on your Certificate(s) during the previous year.

You will not be taxed on the return of any principal amount of your Certificate or on the payment of interest that was previously taxed. In addition, if you (or you and your spouse together) have invested or loaned more than $250,000 in the aggregate with or to MBLF and other charitable organizations that control, are controlled by, or are under common control with MBLF, you may be deemed to receive additional taxable interest under Section 7872 of the Code if the interest actually accruing on your Certificate is less than the applicable federal rate. If you believe this applies to you, you should consult your tax advisor.

If the laws creating the tax aspects described in this summary change, this summary could become inaccurate. This summary is based on the Code, the regulations promulgated under the Code and administrative interpretations and court decisions existing as of the date of this Offering Circular. These authorities could be changed either prospectively or retroactively by future legislation, regulations, administrative interpretations, or court decisions. Accordingly, this summary may not accurately reflect the tax consequences of an investment in our Certificates after the date of this Offering Circular.

In addition, this summary does not address every aspect of tax law that may be significant to your particular circumstances. For instance, it does not address special rules that may apply if you are a financial institution or tax-exempt organization, or if you are not a citizen or resident of the United States. It also does not address Certificates purchased through an IRA, CESA, SEP, or 403(b) plan or other retirement plan. Nor does it address any aspect of state or local tax law that may apply to you.

This discussion of federal income tax consequences was written to support the promotion or marketing of the Certificates and is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding tax penalties. Each prospective investor is advised to consult the investor's own tax counsel or advisor as to the federal, state, local, or foreign income or other tax consequences of an investment in our Certificates.

Selected Financial Data

The tables below set forth selected financial information as of and for the years ended December 31, 2020, 2021, 2022, 2023, and 2024.

	2024	2023	2022	2021	2020
Assets					
Cash and cash equivalents	$ 956,194	$ 1,099,777	$ 495,075	$ 1,147,122	$ 1,192,693
Investments	42,158,498	28,761,984	25,794,308	46,869,343	47,989,497
Loans receivable, net	134,175,095	129,038,841	127,325,746	99,872,448	96,361,655
Property and equipment, net	4,484,630	4,614,922	1,928,718	2,093,649	1,975,929
Other assets	1,260,396	971,448	899,649	814,886	791,110
Total Assets	$ 183,034,813	$164,486,972	$156,443,496	$ 150,797,448	$148,310,884
Liabilities					
Investment certificates	$ 164,893,346	$147,909,803	$ 141,033,824	$136,161,959	$134,314,489
Other liabilities	72,624	79,066	85,543	74,162	44,638
Total Liabilities	$ 164,965,970	$147,988,869	$141,119,367	$ 136,236,121	$134,359,127
Net Assets, end of year	**$ 18,068,843**	**$ 16,498,103**	**$ 15,324,129**	**$ 14,561,327**	**$ 13,951,757**
Revenues	$ 10,927,643	$ 12,378,178	$ 4,529,874	$ 5,363,919	$ 5,999,356
Less Expenses	9,356,903	11,204,204	3,767,072	4,754,349	4,743,650
Change in Net Assets Without Donor Restriction	**$ 1,570,740**	**$ 1,173,974**	**$ 762,802**	**$ 609,570**	**$ 1,255,706**

	2024	2023	2022	2021	2020
Supplemental Data:					
Proceeds from issuing certificates	$ 32,237,850	$ 39,802,308	$ 27,078,252	$ 39,781,900	$ 63,678,329
Interest reinvested in certificates	$ 7,434,212	$ 5,314,296	$ 2,068,841	$ 2,830,482	$ 2,894,856
Matured certificates reinvested	$ 43,610,158	$ 24,728,896	$ 24,651,301	$ 34,887,495	$ 22,107,465
Redemptions of certificates	$ 22,688,519	$ 38,240,625	$ 24,275,228	$ 40,764,912	$ 41,565,640

	Unsecured Loans		Delinquent Loans	
	Amount	% of Total Loans	Amount	% of Total Loans
2024	--	--	--	--
2023	--	--	--	--
2022	$20,000	0.02%	$546,081	0.43%
2021	--	--	--	--
2020	--	--	--	--

Financial Discussion and Analysis

Certificates

As of December 31, 2024, our outstanding Certificates totaled $164,893,346. This represents an increase of $16,983,543 or 11.5% above our Certificates outstanding of 147,909,803 as of December 31, 2023. This change in outstanding Certificates is attributable to standard investment and reinvestment activity in our Certificates, as well as our enhanced sales activity in order to meet increased loan demand.

As of December 31, 2024, the weighted average interest rate being paid to investors in our Certificates was 4.77%. This compares to weighted averages of 4.06% as of December 31, 2023, and 1.95% as of December 31, 2022. Interest rates offered on Certificates are based upon a number of factors, including market conditions, prevailing interest rates and other applicable indicators. Our total interest expense on our Certificates in 2024 was $7,797,563, compared to $5,562,137, in 2023, and $2,202,812 in 2022.

Other Borrowed Indebtedness

We have a $5,000,000 unsecured line of credit from Emprise Bank. As of December 31, 2024, we had no outstanding balance on this line of credit, which matures December 2025.

Loans

During 2024, we approved $12,051,527 in new loans, compared with $14,807,086 in 2023, and $35,025,482 in 2022. We made loan advances of $27,169,169 in 2024, representing an increase of $6,540,750 or 31.7% compared to loan advances of $20,628,419 in 2023, which represented a decrease of $15,296,355 or 43% compared to loan advances of $35,924,774 in 2022. Our loan principal received was $22,162,148 in 2024, representing an increase of $5,120,356 or 30% compared to $17,041,792 in 2023, which represented an increase of $6,447,695 or 61% compared to $10,594,097 in 2022.

During April 2020, to assist our borrowers during the coronavirus situation, we provided a "Borrower Relief Grant" to all of our borrowers equal to that month's interest. The total amount of Borrower Relief Grants we made was $340,464.

As of December 31, 2024, we had no delinquent or impaired loans. As of December 31, 2023, we had no delinquent or impaired loans, and as of December 31, 2022, we had one delinquent loan with a balance of $546,081.

We had no loan foreclosures during 2024, and had no real estate held for sale as of December 31, 2024.

During 2024, 2023, and 2022 we made no additional provision for credit losses.

In 2024, our loan portfolio increased by $5,136,254 from $131,756,453 on December 31, 2023, to $136,892,707 on December 31, 2024. This represented an increase of 3.9%.

As of December 31, 2024, we had 16 loan commitments totaling approximately $12,760,000, compared to loan commitments of $21,994,000 at December 31, 2023, and $31,240,224 at December 31, 2022.

As of December 31, 2024, the interest rates on our loans receivable ranged from 2.48% to 8.00% and had a weighted average of 6.62%, compared with weighted averages of 6.31% and 5.43% as of December 31, 2023 and 2022, respectively. Our interest income on loans receivable in 2024 was $8,866,222, representing a 15.3% increase from $7,691,973 in interest income on loans receivable in 2023, which represented a 31% increase from $5,868,518 in interest income on loans receivable in 2022.

Net Assets

During 2024, we experienced an increase in net assets of $1,570,740. This compares to increases of $1,173,974 and $762,802 in 2023 and 2022, respectively. As of December 31, 2024, net assets were $18,068,843.

Related Party Transactions

Our Board members are also MB Foundation Board members. Some of our Board members may also serve on the board of U.S. Conference or an MB district conference. In addition, some of our Board members and officers may serve on boards or as pastors of their local churches, although we do not consider these affiliations to be strong enough to constitute related party transactions in either our Certificate or loan programs when dealing with those organizations. Our Board members are required to abstain from discussing or deliberating (other than to present factual information or to answer questions), affecting, and voting on any transaction that could possibly be an affiliate transaction with respect to that Board member, and any transaction in which a Board member has a conflict of interest is entered into only after approval by a majority of the Board members who do not have an interest in the transaction. See "Our Organization and Its History" on page 10, and "Management" on page 20 for more detailed discussions of these relationships. Future transactions with our Board members or officers will be on terms no less favorable to us than could be obtained from an independent third party.

We may periodically have loans or Certificates outstanding with the U.S. Conference, MB Foundation, MB churches and organizations with whom Board members or officers are affiliated, or with Board members or officers themselves. We believe that these loans are extended and Certificates are offered on the same terms and conditions as other loans and Certificates, with the exception of the Preferred Certificate which is only available to MB Foundation on the terms discussed in the section entitled "Description of Our Certificates—Preferred Certificate" on page 10. Details on the Preferred Certificate held by MB Foundation can be found in the section entitled "Description of Our Certificates—Preferred Certificate" on page 10.

As of December 31, 2024, we had four loans outstanding to four of our officers, with an aggregate outstanding balance totaling $581,223 and a weighted average interest rate of 2.71%. As of that same date, we had three loans outstanding to three other employees with an outstanding balance of $178,248 and a weighted average interest rate of 4.19%.

At December 31, 2024, we had seven Certificates totaling $671,016, with a weighted average interest rate of 4.43%, outstanding to an MB conference who has a board member who is also on our board. At December 31, 2024, we also had a line of credit loan commitment to an MB conference for a total of $200,000 with an interest rate of 7.0%, of which $200,000 was unfunded.

At December 31, 2024, we had 13 certificates totaling $472,461, with an average interest rate of 4.0%, outstanding to churches who have board members on our board or are our officers, and six certificates totaling $148,473, with an average interest rate of 4.3%, to a ministry who has a board member that is also one of our officers.

We made grants to the MB Foundation of $0, $4,348,363, and $350,000 in 2024, 2023, and 2022, respectively. We also paid MB Foundation $88,200, $76,200, and $65,628 during 2024, 2023, and 2022, respectively, in exchange for management and accounting services. In 2023, we recognized a $2,748,363 donation of property and equipment, which was purchased from MB Foundation for consideration of $10.

INVESTING ACTIVITIES

Our investment policy has been established by our Board. Our general investment objectives under that policy include (1) the preservation and protection of our assets, (2) the provision of funding for our loan program, (3) the minimization of risk with regard to the investment of our liquid assets while seeking a rate of return commensurate with that of intermediate term government bonds, (4) the control of investment administration costs, (5) the maintenance of liquidity necessary to meet regulatory, short-term and emergency needs, and (6) the satisfaction of all requirements of the North American Securities Administrators Association and related state agency requirements. To this end, we seek to invest the majority of our assets in our loan program, while maintaining sufficient liquid assets (cash, interest-bearing and readily marketable securities) to provide short-term liquidity.

We believe that the liquidity necessary for ordinary operations may be facilitated through a cash management system utilizing multiple investment pools each maintaining a specified balance, risk, and maturity structure. Each of the investment pools represent progressively decreasing levels of liquidity, increased risk, and potentially increased return. The pools consist of interest bearing bank accounts (Pool I), money market mutual funds (Pool II), bank and credit union certificates of deposit (Pool III) and a mixed debt and equity account (Pool IV).

Pool IV is limited to fixed income securities in the form of U.S. treasuries, U.S. agencies, corporate bonds and other asset backed securities, as well as up to 30% in church extension fund certificates, and up to 10% in equities. These securities must be investment grade at the time of purchase, except up to 10% of Pool IV may be in securities that are not investment grade. We seek to maintain an average maturity of 3-6 years and an average duration of 2-4 years on the fixed income securities in Pool IV.

We endeavor to invest in companies whose business is consistent with MB values and beliefs. Accordingly, we seek to avoid companies associated or identified with alcoholic beverages, tobacco products, abortion, pornography, the gaming industry or the defense industry. This may impact the relative financial performance of the investment portfolio compared to performance that may have been achieved if we had not made any socially conscious investments.

Our Board has authorized our officers to carry out our financial affairs, including our investing activities. The names and background information on those individuals can be found in the section entitled “Management” on page 20. As of December 31, 2024, approximately $28.3 million of our investment portfolio was held at the full-service brokerage firm Charles Schwab & Co., Inc.

We had investment gains of $1,886,248 for the year ended December 31, 2024, investment gains of $1,673,607 for the year ended December 31, 2023, and investment losses of $1,479,023 for the year ended December 31, 2022. This investment income consisted of interest and dividends of $1,597,620, $985,920, and $977,292 in each of these years, respectively, increased by realized and unrealized gains of $288,628 in 2024 and $687,687 in 2023, and decreased by realized and unrealized losses of $2,456,315 in 2022.

As of December 31, 2024, our investments consisted of the following:

At fair value:		
Money market funds	$	5,711,507
U.S. Government bonds		5,572,947
Corporate bonds		5,548,484
Equities		2,215,340
Certificates of deposit		3,793,421
Mutual funds		8,431,042
	$	31,272,741
At cost:		
Cash	$	1,054,616
Denominational loan fund certificates		9,831,141
	$	10,885,757
	$	42,158,498

The growth in our Certificate balance relative to our loan portfolio over recent years has afforded us the opportunity to have larger cash balances during difficult economic times. Historically, our liquid assets have been sufficient to meet normal Certificate repayment requests and loan commitment requirements.

MANAGEMENT

Board of Directors

Our Board of Directors consists of the members of MB Foundation's Board of Directors. MB Foundation's Board may have between eight and 15 members. Directors of MB Foundation are nominated by its current Board of Directors and must be approved by the U.S. Conference. The U.S. Conference Treasurer is automatically a member of our Board by virtue of holding that position. As of the date of this Offering Circular, we have eleven directors.

Each year, our Board has at least two regularly scheduled meetings. In addition, the directors may meet as needed via telephone or otherwise.

Mike Bernardoni, Chairman

Mr. Bernardoni, age 46, received a B.S. degree from California State University Fresno. He currently serves as President of a medical supply company in Fresno that specializes in meeting the needs of patients residing in Skilled Nursing Facilities. Mr. Bernardoni attends Reedley Mennonite Brethren Church with his wife and three children, where they have attended more than 15 years. His current term expires in 2026.

Lynn V. Schneider, Vice Chairman

Mr. Schneider, age 77, holds a B.S. degree in Business Administration from Huron University in Huron, South Dakota, and attended the American Bankers Association and Graduate School of Banking at the University of Delaware, Newark, Delaware. He was a loan officer and branch manager for the Farm Credit System Production Credit Association for ten years and was president of the Marquette Bank of Huron, South Dakota for 15 years. He retired as President & CEO of American Bank & Trust in Huron where he had been employed since January 2002 and now serves as a Member of the South Dakota House of Representatives. He was also Vice-President and a director of Leackco Bank Holding Company, Inc., and Secretary of American Trust Insurance, LLC. Mr. Schneider currently serves as Chair of the Central District Conference of Mennonite Brethren Churches. He has been a director and board chairman of the Greater Huron Development Corporation, the Huron Regional Medical Center Hospital, the James Valley Christian School, and the Griffith Foundation, director for the South Dakota State University Foundation, director of the Federal Home Loan Bank of Des Moines, and director and president of the South Dakota Bankers Association. Mr. Schneider has served on MB Foundation's Board since July 2000, and as chairman from 2007 to 2014. His current term expires in 2026.

Aaron Erickson, Secretary

Mr. Erickson, age 48, has worked in the technology industry in numerous capacities, including sales, business development, marketing, and social media. He has also provided computer software training and business research for Christian radio stations in many parts of the world. A graduate in Global Studies from the University of Northwestern - St. Paul, Mr. Erickson is currently pursuing a Masters of Biblical and Theological Studies from Dallas Theological Seminary. He is a member of South Mountain Community Church in Utah. His current term expires in 2027.

Eyasu Lemma, Assistant Secretary

Mr. Lemma, age 46, is a licensed architect and is employed at the U.S. Army Corps of Engineers, Kansas City District. He was born in Addis Ababa, Ethiopia. He received his bachelor's degree from the University of

Kansas in 2005 and has worked for private companies on various commercial projects. Mr. Lemma and his family attend Ethiopian Christian Fellowship Church in Olathe, Kansas where he serves on the building committee board and in music ministry. His current term expires in 2026.

Aaron Abbott

Mr. Abbott, age 48, is the Vice President of Lending at NBC Oklahoma and has served in various positions in the banking industry for more than 20 years. He earned his bachelor's degree from Tabor College in Hillsboro, Kansas. Mr. Abbott attends Crosspoint Church in Enid, OK where he serves as an elder Mr. Abbott's term expires in 2027.

Gaven Banik

Mr. Banik, age 73, is the Fixed Operations Manager at Luxury Auto Mall of Sioux Falls in Sioux Falls, SD. He has been with the company for over 25 years. He currently attends Lincoln Hills Bible Church in Sioux Falls and serves on the elder board. His leadership board service has included Sunshine Bible Academy (Miller, SD) and the Central District Conference of Mennonite Brethren Churches Board of Trustees. Mr. Banik currently serves as Board Treasurer of the U.S. Conference. His current term expires in 2026.

Brent Goertzen

Mr. Goertzen, age 52, is a faculty member within the Department of Leadership Studies at Fort Hays State University ("**FHSU**") since 2003. He earned his doctoral degree in Community and Human Resources with a specialization in Leadership from the University of Nebraska - Lincoln in 2003. Mr. Goertzen has facilitated numerous leadership workshops, seminars and retreats for organizations such as the FHSU Alumni Board, Northwest Kansas Mayors' Association, Kansas Environmental Leadership Program, Small Business Development Center, Garrison Workforce at Fort Riley, and his local church. He and his family are members of North Oak Community Church in Hays, Kansas where he serves on the elder board. His term expires in 2026.

Jesse Hohm

Mr. Hohm, age 41, earned his B.S. degree from Dakota State University. He was a software and systems engineer at numerous companies he owned in the agriculture industry until his retirement in 2022. He is a member of Bethel MB Church in Yale, South Dakota. Mr. Hohm's term expires in 2026.

Todd Oster

Mr. Oster, age 67, worked at CHS Inc. for more than 40 years until his retirement in 2024 as General Manager. Mr. Oster earned his B.S. degree in Animal Science from South Dakota State University. He currently serves as Deacon, adult Sunday School teacher, and Awana helper at Grace Bible Church of Gettysburg, South Dakota. Mr. Oster's term expires in 2027.

Philip Daniel Ray

Mr. Ray, age 62, received a B.S. degree from California State University Fresno. He is a Certified Financial Planner, and is the President and shareholder of Regency Investment Advisors, Inc., a U.S. Securities and Exchange Commission Registered Investment Advisory firm in Fresno, California. He brings to our board 20 plus years of professional investment experience. His history of volunteer service includes: Ten years serving as a citizen advisory member on the investment committee of the City of Fresno Retirement Systems; Past President of the Fresno Estate Planning Council; Board member and Chairman, Central California Mennonite Residential Services; and Past President, Exceptional Parents Unlimited Board of Directors. Dan currently serves on the Fresno Pacific Biblical Seminary Committee. Mr. Ray has served on the MB Foundation board since July 2000. Mr. Ray's current term expires in 2026.

Joshua Skarphol

Mr. Skarphol, age 53, worked in the technology software development industry in various capacities for more than 20 years until his retirement as Consulting Manager at Snowflake in 2022. He earned his A.A. in History from Mt. Hood Community College and his A.A. in Music and Video Business from the Art Institute of Seattle. Mr. Skarphol attends Christ Church Sellwood where he serves as an elder. Mr. Skarphol's term expires in 2027.

Officers

Jon C. Wiebe, President and CEO

Mr. Wiebe, age 61, earned a B.A. degree from Tabor College, Hillsboro, Kansas and an M.B.A. from the University of Denver, Denver, Colorado. He was a youth pastor for four years at Belleview Acres Mennonite Brethren Church before joining Andersen Consulting as a Staff Consultant and then Norwest Bank as a Financial Analyst. Mr. Wiebe has served in a number of positions within the local church and, while in Denver, was on the Board of More For Less, a local self-help retail store. His involvement included several years as Chair. Mr. Wiebe is currently a member of Parkview Mennonite Brethren Church and has formerly served as Sunday school teacher, youth sponsor, Council Chair, Elder Chair, Moderator and as Chair of Southern District Conference and is on the board of Salem Home (Hillsboro, KS). Mr. Wiebe started with MB Foundation as a Vice President in 1996 and was promoted to President on January 1, 1998, where he continues to serve.

Bruce Jost, Chief Development Officer

Mr. Jost, age 50, received a B.A. in Business Administration from Tabor College in Hillsboro, Kansas, in 1997. Mr. Jost worked at Tabor College as the Director of Student Financial Assistance prior to joining the MBLF team in December 2006. He was promoted to Vice President in January 2015 and to Chief Development Officer in October 2022. Mr. Jost is a member of Ebenfeld Mennonite Brethren Church, where he currently serves as a member of the Board of Trustees and Deacons and served as the church moderator from 2014-2016. Mr. Jost also serves on the Board of Directors for Main Street Ministries in Hillsboro, KS.

Joel D. Soo Hoo, Vice President and Treasurer

Mr. Soo Hoo, age 48, received a B.A. in Business Administration from Tabor College in Hillsboro, Kansas, in 1999. After graduation, Mr. Soo Hoo worked at Midland National Bank in the operations department and as a Staff Accountant for Claassen Financial Services prior to joining the staff of MB Foundation and MBLF as a Staff Accountant in March of 2001. Mr. Soo Hoo was promoted to Treasurer of both organizations in August of 2003, and to Vice President on January 1, 2007. Mr. Soo Hoo has served on the Leadership Marion County Board. He is a member of Parkview Mennonite Brethren Church, where he serves as the treasurer and on the board of trustees. He has also served as a high school youth sponsor. Mr. Soo Hoo also serves as Treasurer for Advocate's Reach.

Compensation

Members of our Board of Directors are reimbursed for their out-of-pocket expenses for attending meetings but receive no other compensation. As officers of both MB Foundation and MBLF, our officers received compensation, including health and retirement benefits, from both organizations. During 2024, we paid total officer and director compensation of $390,721.

LEGAL MATTERS

As of the date of this document, there were no suits, actions or other legal proceedings or claims pending or, to our knowledge, threatened against us or any individual in his or her capacity as our officer or director.

AUDITORS

Our Financial Statements for December 31, 2024, 2023, and 2022 have been audited by Capin Crouse LLC, independent auditors, whose address is 55 Shuman Blvd, Suite 300, Naperville, IL 60563.

ADDITIONAL INFORMATION

It is our policy to provide current investors with our Financial Statements each year within 120 days of our fiscal year end or upon written request.

From time to time, we may distribute advertising materials through churches or other organizations, make audio and video presentations in churches or other organizations, publish advertisements in national publications, and distribute literature to potential investors. We may also include information on a website about our Certificates, including current interest rates. We have not, however, authorized anyone to give any information or make any representations with regard to the offering of our Certificates that are inconsistent with the information in this Offering Circular. Therefore, you should not rely on any information or representations that are contrary to the information in this Offering Circular. Except for the Offering Circular, Offering Circular Supplements and interest rate sheets posted on our website, the information available on our website is not part of the Offering Circular.

General Information

Our Team

Jon C. Wiebe
President and CEO

Bruce Jost
Chief Development Officer

Joel D. Soo Hoo
Vice President and Treasurer

Guy Burgo
Gift and Estate Design Specialist

Aleya Ediger
Administrative Assistant

Rick Eshbaugh
Director of Financial Discipleship

Cheryl Goertzen
Senior Accountant / Financial Analyst

Kendra Goertzen
Operations Associate

Mark Goodwin
Technology & Database Coordinator

Brenda Hamm
Director of Marketing

Tracy Hefley
Executive Assistant

Roman Hofer
Account Administrator

Jeff Jorgenson
Director of Financial Services

Jason Klassen
Director of Business Development

Iris Klein
Marketing Associate

Jeremy Myers
Client Account Administrator

Stacie Myers
Staff Accountant

Sherry Rempel
Executive Assistant

Garvie Schmidt
Planned Giving Advisor

Andy Shewey
Planned Giving Advisor

Heather Silhan
Charitable Gift Coordinator

Shawna L. Vogt
Account Administrator

Office

200 East D St
PO Box 220
Hillsboro, Kansas 67063

Phone 620.947.3151
Fax 620.947.3266
Toll-free 800.551.1547

Regular Hours

- You may contact our office during the following regular business hours:

  Monday through Friday
  8:00 a.m. to 5:00 p.m.
- Investments received at our main office by noon will generally be credited to the investor that day.
- Redemption requests received at our main office before 2:00 p.m. generally will be honored the same day.

Upcoming Holidays

Our offices will be closed on the following days:

Memorial Day .... May 26, 2025
Independence Day .... July 4, 2025
Labor Day .... Sept. 1, 2025
Thanksgiving ..... Nov. 27 & 28, 2025
Christmas .... Dec. 25, 2025
New Year's .... Jan. 1, 2026
Good Friday .... April 3, 2026

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A higher standard.
A higher purpose.

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MENNONITE BRETHREN LOAN FUND

Financial Statements
With Independent Auditors' Report

December 31, 2024, 2023, and 2022

CAPINCROUSE LLC

MENNONITE BRETHREN LOAN FUND

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CAPINCROUSE LLC

INDEPENDENT AUDITORS' REPORT

Board of Directors
Mennonite Brethren Loan Fund
Hillsboro, Kansas

Opinion

We have audited the accompanying financial statements of Mennonite Brethren Loan Fund, which comprise the statements of financial position as of December 31, 2024, 2023, and 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mennonite Brethren Loan Fund as of December 31, 2024, 2023, and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mennonite Brethren Loan Fund and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Mennonite Brethren Loan Fund's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors
Mennonite Brethren Loan Fund
Hillsboro, Kansas

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mennonite Brethren Loan Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Mennonite Brethren Loan Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Capin Crouse LLC

Naperville, Illinois
March 20, 2025

MENNONITE BRETHREN LOAN FUND

Statements of Financial Position

	December 31, 2024	December 31, 2023	December 31, 2022
ASSETS:			
Cash and cash equivalents	$ 956,194	$ 1,099,777	$ 495,075
Investments	42,158,498	28,761,984	25,794,308
Interest receivable	811,501	592,265	524,543
Prepaid expenses and other assets	448,895	379,183	375,106
Loans receivable	136,892,707	131,756,453	130,043,358
Allowance for credit losses	(2,717,612)	(2,717,612)	(2,717,612)
Property and equipment, net	4,484,630	4,614,922	1,928,718
Total Assets	$ 183,034,813	$ 164,486,972	$ 156,443,496
LIABILITIES AND NET ASSETS:			
Liabilities:			
Accounts payable and accrued expenses	$ 72,624	$ 79,066	$ 85,293
Note payable	-	-	250
Investment certificates	164,893,346	147,909,803	141,033,824
Total liabilities	164,965,970	147,988,869	141,119,367
Net assets:			
Net assets without donor restrictions	18,068,843	16,498,103	15,324,129
Total Liabilities and Net Assets	$ 183,034,813	$ 164,486,972	$ 156,443,496

See notes to financial statements

MENNONITE BRETHREN LOAN FUND

Statements of Activities

	Year Ended December 31,		
	2024	2023	2022
CHANGES IN UNRESTRICTED NET ASSETS:			
Revenues:			
Interest on loans receivable	$ 8,866,222	$ 7,691,973	$ 5,868,518
Contributions of nonfinancial assets	-	2,748,363	-
Investment income	1,886,248	1,673,607	(1,479,023)
Other	175,173	264,235	140,379
Total Revenues	10,927,643	12,378,178	4,529,874
Expenses:			
Program services:			
Interest on investment certificates	7,797,563	5,562,137	2,202,812
Grant to Mennonite Brethren Foundation	-	4,348,363	350,000
Other operating expenses	843,896	688,817	607,680
	8,641,459	10,599,317	3,160,492
Management and general	715,444	604,887	606,580
Total Expenses	9,356,903	11,204,204	3,767,072
Change in Net Assets Without Donor Restrictions	1,570,740	1,173,974	762,802
Net Assets, Beginning of Year	16,498,103	15,324,129	14,561,327
Net Assets, End of Year	$ 18,068,843	$ 16,498,103	$ 15,324,129

See notes to financial statements

MENNONITE BRETHREN LOAN FUND

Statements of Cash Flows

	Year Ended December 31, 2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:			
Change in net assets	$ 1,570,740	$ 1,173,974	$ 762,802
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:			
Depreciation	130,292	62,169	54,297
Donation of property and equipment	-	(2,748,363)	-
Net (gains) losses on investments	(288,628)	(687,687)	2,456,315
Interest reinvested in investment certificates	7,434,212	5,314,296	2,068,841
Changes in:			
Interest receivable	(219,236)	(67,722)	(83,852)
Prepaid expenses and other assets	(69,712)	(4,077)	(911)
Accounts payable and accrued expenses	(6,442)	(6,227)	11,131
Net Cash Provided by Operating Activities	8,551,226	3,036,363	5,268,623
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investments	(38,636,228)	(34,674,516)	(29,563,982)
Proceeds from sales and maturities of investments	25,528,342	32,394,527	48,315,878
Purchase of property and equipment	-	(10)	(22,542)
Loan advances	(27,169,169)	(20,628,419)	(35,924,774)
Loan principal received	22,162,148	17,041,792	10,594,097
Net Cash Used by Investing Activities	(18,114,907)	(5,866,626)	(6,601,323)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from sale of loan participation interest	-	2,000,000	-
Principal payments on loan participation interest	(129,233)	(126,468)	(2,122,621)
Proceeds from issuance of investment certificates	32,237,850	39,802,308	27,078,252
Proceeds from note payable	-	-	250
Payments on note payable	-	(250)	-
Redemptions of investment certificates	(22,688,519)	(38,240,625)	(24,275,228)
Net Cash Provided by Financing Activities	9,420,098	3,434,965	680,653
Change in Cash and Cash Equivalents	(143,583)	604,702	(652,047)
Cash and Cash Equivalents, Beginning of Year	1,099,777	495,075	1,147,122
Cash and Cash Equivalents, End of Year	$ 956,194	$ 1,099,777	$ 495,075
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Matured investment certificates reinvested	$ 43,610,158	$ 24,728,896	$ 24,651,301
Cash paid for interest	$ 363,351	$ 247,841	$ 133,971

See notes to financial statements

MENNONITE BRETHREN LOAN FUND

Notes to Financial Statements

December 31, 2024, 2023, and 2022

1. NATURE OF ORGANIZATION:

Mennonite Brethren Loan Fund (Fund) is a nonprofit, tax-exempt corporation, which is a separate legal entity affiliated with the Mennonite Brethren Foundation (Foundation). Its primary mission is to serve the financial needs of the Mennonite Brethren conference, churches, institutions and agencies. Activities include loaning funds primarily to Mennonite Brethren organizations, as well as other organizations that share similar values, for the purpose of facility construction or operational needs; offering to qualified workers of the Mennonite Brethren churches loans for the purpose of purchasing or constructing their residences; raising capital from primarily Mennonite Brethren organizations and individuals; and expressing generosity by making grants from earnings to the Foundation. The Fund's primary means of obtaining funds has been through the issuance of investment certificates.

The Fund shares a common board of directors with the Foundation whose consolidated financial statements include the accompanying Fund financial statements.

The Fund is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Fund has been classified as an organization that is not a private foundation under IRC Section 509(a)(1).

2. SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF ACCOUNTING

The financial statements of the Fund have been prepared using the accrual basis of accounting. The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include checking accounts and sweep accounts. Other accounts such as money market accounts are considered investments regardless of their original maturity. Cash held as part of a larger investment portfolio is included in investments. At December 31, 2024, 2023, and 2022, the Fund's cash balances exceeded federally insured limits by $297, $560, and $1,327,630, respectively.

INVESTMENTS

Investments with readily determinable fair values are reported at fair value. Investment in some interest bearing deposits are recorded at cost plus accrued interest. Fair values for investment securities are based on quoted market prices, where available. If quoted market prices are not available, fair values are based on quoted market prices of comparable instruments. Realized and unrealized gains and losses are reported as net investment gains and losses in the statements of activities.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

CLASSES OF NET ASSETS

The financial statements report amounts by classification of net assets. *Net assets without donor restriction* are those currently available at the discretion of the Board for use in the Fund's operations, those designated by the Board for specific purposes and those resources invested in property and equipment. At December 31, 2024, 2023, and 2022, the Fund had no net assets with donor restrictions.

PROPERTY AND EQUIPMENT

Property and equipment purchases in excess of $5,000 are capitalized at cost and depreciated on the straight line method over three to forty years. The capitalization policy for the years ended December 31, 2023 and 2022, was $2,000.

LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES

Loans receivable consist of loans primarily to Mennonite Brethren organizations and qualified church workers, as well as other organizations that share similar values, primarily secured by real estate mortgages, although the Fund does make some unsecured loans and some loans that are secured by other forms of collateral. Most of the loans are originally set up for a term of five to fifteen years for organization loans, and thirty years for home loans. Loans are reported at their outstanding principal balances net of loan participation interests sold, less the related allowance for credit losses. Interest income on loans is accrued and credited to income based on the principal amount outstanding.

Allowance for credit losses

The Fund recognizes an allowance for credit losses for financial assets carried at amortized cost to present the net amount expected to be collected as of the statements of financial position date. Such allowance is based on the credit losses expected to arise over the life of the asset (contractual term) which includes consideration of prepayments. Assets are written off when the Fund determines that such financial assets are deemed uncollectible. Write-offs are recognized as a deduction from the allowance for credit losses. Expected recoveries of amounts previously written off, not to exceed the aggregate of the amount previously written off, are included in determining the necessary reserve at the statement of financial position date.

The Fund utilizes a loss rate approach in determining its lifetime expected credit losses on its loans. This method is used for calculating an estimate of losses based primarily on the Fund's historical loss experience. In determining its loss rates, the Fund evaluates information related to its historical losses, adjusted for current conditions and further adjusted for the period of time that it can reasonably forecast. For the period of time beyond which it can reasonably forecast it applies immediate reversion based on the facts and circumstances as of the reporting date. The Fund concludes that it can reasonably support a forecast period of all loan segments for two years after the statement of financial position date. The Fund classifies loans based on the following portfolio segments: loans to Mennonite Brethren (MB) churches and organizations, loans to non-MB churches and organizations, and loans to qualified church workers. In situations where a loan does not share the same risk characteristics with other loans, the Fund measures those loans individually.

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES, continued

Allowance for credit losses, continued
Qualitative and quantitative adjustments related to current conditions and the reasonable and supportable forecast period consider the following: borrower's creditworthiness, changes in lending policy and procedures, changes in nature and volume of the loan portfolio and in the terms of loans, changes in experience, ability and depth of lending management and staff, changes in the quality of the loan review system, changes in the loan-to-value ratios, existence and effect of any concentration of credit and changes in the level of such concentrations, effect of other external forces such as natural disasters, pastoral vacancies, and other external factors like regulatory, legal and technological environments, and competition, and the current and forecasted direction of the economic and business environment. Such forecasted information includes: GDP growth, unemployment rates, and church giving trends.

The Fund also has off-balance sheet financial instruments, which include church standby letters of credit and construction loans. The Fund minimizes these risks through underwriting guidelines and prudent risk management techniques. The Fund estimates a liability for loan commitments that are not unconditionally cancellable by the Fund based on the likelihood of funding and an estimate of credit losses over the life after funding. Credit loss methodology is based on a loss rate approach that starts with the probability of funding based on historical experience and adjusted for current conditions and further adjusted for the period of time that can be reasonably forecast. For the period of time beyond which the Fund can reasonably forecast, it applies immediate reversion based on the facts and circumstances as of the reporting date. The Fund has concluded that it can reasonably support a forecast period for two years after the statements of financial position date. As of December 31, 2024 and 2023, the Fund recorded a liability of off-balance sheet unfunded commitments totaling approximately $378,000 and $354,000, respectively. Due to immateriality, this amount has been combined with the allowance for credit losses in the statements of financial position.

Credit quality indicators
The Fund categorizes its loans as performing or nonperforming. Status for performing and nonperforming loans is based on payment activity for the year. Payment activity is reviewed by management on a monthly basis to determine how loans are performing. Loans are considered to be nonperforming when days delinquent is greater than 60 days in the previous month. The Fund evaluates such pooling decisions and adjusts as needed from period to period as risk characteristics and performance status change.

2. <u>SIGNIFICANT ACCOUNTING POLICIES, continued:</u>

LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES, continued

Credit quality indicators, continued
The Fund elects to present the accrued interest receivable balance separately in the statements of financial position from the amortized cost of the loans receivable. The Fund elected not to measure an allowance for credit losses for accrued interest receivable. For all classes of loans receivable, the accrual of interest is discontinued when the contractual payment of principal or interest has become 90 days past due and management believes, after considering economic and business conditions and collection efforts, that the principal or interest will not be collectible within the stated term of the loan. All accrued interest is reversed against interest income when a loan is placed on nonaccrual status. Interest received on nonaccrual loans generally is either applied against principal, or reported as interest income, according to management's judgment as to the collectability of principal. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current, there is a sustained period of repayment performance, and future payments are reasonably assured. The Fund did not write off any loan accrued interest receivables during the years ended December 31, 2024, 2023, and 2022. Due to the nature of the relationship with its borrowers, the Fund is willing to make accommodations with borrowers whose payments are not current, so long as such accommodations do not jeopardize the interests of the Fund's investors.

The Fund may sell participation interests in its loans to third parties from time to time. When the Fund does so, it continues to service the loans and remit a portion of each loan payment it receives from the borrowers to the buyers of the participation interest. The participations are non-recourse, which means that the Fund will have no obligation to repurchase the portion of the loan it sold, and the purchaser will assume the risk of loss on that portion of the loan. Accordingly, the portions of the loans it sells are not included in the outstanding loans receivable.

The Fund may also purchase participation interests in individual loans from third party lenders. Under these loan participation agreements, the third-party lenders maintain all records, collect all payments and remit monthly the appropriate pro rata share of both interest and principal collected on the loans. All loan participations are purchased without recourse and are secured by real property.

2. <u>SIGNIFICANT ACCOUNTING POLICIES, continued:</u>

CONTRIBUTIONS OF NONFINANCIAL ASSETS

Donations of non-financial assets are recorded as support at their estimated fair value as of the date of donation. For the year ended December 31, 2023, the Fund recognized $2,748,363 of donated property, which was purchased from the Foundation (a related party) for consideration of $10. The Fund recognized this nonfinancial asset contribution within revenue to be held and used within the Fund's operations. This contribution did not have any donor-imposed restrictions. In valuing the donated property, the Fund considered the fair value to be the original cost of the property, which was purchased and placed into service by the Foundation during the year ended December 31, 2023.

EXPENSES

Expenses are recognized when incurred in accordance with the accrual basis of accounting. The costs of providing program services and supporting activities have been allocated on a functional basis, determined by use of the facilities, level of support effort, and relative program benefited.

MENNONITE BRETHREN LOAN FUND

Notes to Financial Statements

December 31, 2024, 2023, and 2022

3. INVESTMENTS:

Investments consist of:

	December 31,		
	2024	2023	2022
At fair value:			
Money market funds	$ 5,711,507	$ 5,966,925	$ 3,501,422
U.S. Government bonds	5,572,947	2,458,930	2,601,261
Corporate bonds	5,548,484	4,000,283	4,129,533
Equities	2,215,340	2,233,816	1,772,087
Certificates of deposit	3,793,421	2,870,137	1,692,437
Mutual funds	8,431,042	3,780,501	3,503,283
	31,272,741	21,310,592	17,200,023
At cost:			
Cash, interest bearing	1,054,616	3,409,022	771,419
Denominational loan fund certificates	9,831,141	4,042,370	7,568,491
Certificates of deposit	-	-	254,375
	10,885,757	7,451,392	8,594,285
	$ 42,158,498	$ 28,761,984	$ 25,794,308

Investment income consists of:

	Year Ended December 31,		
	2024	2023	2022
Interest and dividends	$ 1,597,620	$ 985,920	$ 977,292
Realized and unrealized gains (losses)	288,628	687,687	(2,456,315)
	$ 1,886,248	$ 1,673,607	$ (1,479,023)

At December 31, 2024, the certificates of deposit, U.S. Government bonds and corporate bonds mature as follows:

Within one year	$ 12,486,791
After one year through five years	12,199,249
After five years	59,953
	$ 24,745,993

4. LOANS RECEIVABLE, NET:

A summary of loans receivable classified by interest rates is as follows:

	December 31, 2024	December 31, 2023	December 31, 2022
4 1/2% or less	$ 8,467,586	$ 9,581,915	$ 9,670,030
over 4 1/2 to 5 1/2%	792,785	4,327,133	51,798,207
over 5 1/2 to 6 1/2%	41,986,691	50,414,219	59,706,623
over 6 1/2 to 7 1/2%	84,417,949	58,086,666	8,868,498
over 7 1/2 to 8 1/2%	1,227,696	9,346,520	-
	136,892,707	131,756,453	130,043,358
Allowance for credit losses	(2,717,612)	(2,717,612)	(2,717,612)
	$ 134,175,095	$ 129,038,841	$ 127,325,746

A summary of loans receivable classified by loan portfolio segment is as follows:

	December 31, 2024	December 31, 2023	December 31, 2022
MB organizations	$ 46,396,379	$ 41,936,189	$ 47,534,673
Non-MB organizations	80,776,036	79,365,393	72,838,655
Qualified church workers	9,720,292	10,454,871	9,670,030
	136,892,707	131,756,453	130,043,358
Allowance for credit losses	(2,717,612)	(2,717,612)	(2,717,612)
	$ 134,175,095	$ 129,038,841	$ 127,325,746

4. LOANS RECEIVABLE, NET, continued:

The following summarizes the activity related to the allowance for credit losses for the years ended December 31, 2024 and 2023, under the CECL methodology:

	MB Organizations	Non-MB Organizations	Qualified Church Workers	Total
Balance, December 31, 2022	$ 1,512,338	$ 1,157,302	$ 47,972	$ 2,717,612
Adjustment to allowance for adoption of Topic 326	(548,878)	533,550	15,328	-
Charge-offs	-	-	-	-
Recoveries	-	-	-	-
Provision for credit losses	-	-	-	-
Balance, December 31, 2023	$ 963,460	$ 1,690,852	$ 63,300	$ 2,717,612
Transfers	143,085	(158,712)	15,627	-
Charge-offs	-	-	-	-
Recoveries	-	-	-	-
Provision for credit losses	-	-	-	-
Balance, December 31, 2024	$ 1,106,545	$ 1,532,140	$ 78,927	$ 2,717,612

Prior to the adoption of ASU 2016-13 on January 1, 2023, the Fund calculated the allowance for loan losses under the incurred loss methodology. The following table is the disclosure related to the allowance for loan losses in prior periods:

	December 31, 2022
Beginning of year	$ 2,717,612
Provision for losses	-
End of year	$ 2,717,612

Prior to the adoption of ASU 2016-13, the Fund evaluated loans for impairment on an individual basis if the loan was more than 90 days delinquent. These loans were then given a specific allowance based on the estimated net realizable value of property serving as collateral. All other loans were evaluated for allowance on a collective basis. At December 31, 2022, one loan receivable totaling $546,081, with an allowance totaling $6,826, was evaluated individually for impairment. All other loans were collectively evaluated and no impairment was noted. At December 31, 2024 and 2023, all loans were collectively evaluated and no impairment was noted.

4. LOANS RECEIVABLE, NET, continued:

The following table presents loans by credit quality indicator for the year ended December 31, 2024:

	MB Organizations	Non-MB Organizations	Qualified Church Workers	Total
Performing	$ 46,396,379	$ 80,776,036	$ 9,720,292	$ 136,892,707
Nonperforming	-	-	-	-
	$ 46,396,379	$ 80,776,036	$ 9,720,292	$ 136,892,707

The following table presents loans by credit quality indicator for the year ended December 31, 2023:

	MB Organizations	Non-MB Organizations	Qualified Church Workers	Total
Performing	$ 41,936,189	$ 79,365,393	$ 10,454,871	$ 131,756,453
Nonperforming	-	-	-	-
	$ 41,936,189	$ 79,365,393	$ 10,454,871	$ 131,756,453

The following table presents loans by credit quality indicator for the year ended December 31, 2022:

	MB Organizations	Non-MB Organizations	Qualified Church Workers	Total
Performing	$ 46,988,592	$ 72,838,655	$ 9,670,030	$ 129,497,277
Nonperforming	546,081	-	-	546,081
	$ 47,534,673	$ 72,838,655	$ 9,670,030	$ 130,043,358

4. LOANS RECEIVABLE, NET, continued:

Past due status is based on contractual terms of the loan. A loan is considered to be past due when a scheduled payment has not been received 30 days after the contractual due date.

An aging analysis of the principal of past due loans receivable by portfolio segment as of December 31, 2024, is as follows:

	MB Organizations	Non-MB Organizations	Qualified Church Workers	Total
Past due:				
Greater than 90 days	$ -	$ -	$ -	$ -
Current	46,396,379	80,776,036	9,720,292	136,892,707
	$ 46,396,379	$ 80,776,036	$ 9,720,292	$ 136,892,707

An aging analysis of the principal of past due loans receivable by portfolio segment as of December 31, 2023, is as follows:

	MB Organizations	Non-MB Organizations	Qualified Church Workers	Total
Past due:				
Greater than 90 days	$ -	$ -	$ -	$ -
Current	41,936,189	79,365,393	10,454,871	131,756,453
	$ 41,936,189	$ 79,365,393	$ 10,454,871	$ 131,756,453

An aging analysis of the principal of past due loans receivable by portfolio segment as of December 31, 2022, is as follows:

	MB Organizations	Non-MB Organizations	Qualified Church Workers	Total
Past due:				
Greater than 90 days	$ 546,081	$ -	$ -	$ 546,081
Current	46,988,592	72,838,655	9,670,030	129,497,277
	$ 47,534,673	$ 72,838,655	$ 9,670,030	$ 130,043,358

4. LOANS RECEIVABLE, NET, continued:

The Fund classifies loans as past due if the loan is more than 30 days past due but less than 90 days delinquent. At December 31, 2022, the Fund had one delinquent loan with a principal balance of $546,081. The amount of interest and principal payments owing on this delinquent loan was $9,837. Interest income recognized on this delinquent loan during 2022 was $28,988. The Fund believes that the collateral related to the delinquent loan will be sufficient to repay the loan balance. The delinquent loan totaling $546,081 was 0.42% of the Fund's aggregate principal balance of total loans outstanding at December 31, 2022. There were no past due loans classified as delinquent or impaired as of December 31, 2024 and 2023.

Loans receivable at December 31, 2024, will mature as follows:

Year	Amount
2025	$ 1,949,245
2026	18,665,078
2027	29,158,166
2028	15,033,257
2029	11,059,250
Thereafter	61,027,711
	$ 136,892,707

As of December 31, 2024, the Fund had no unsecured loan and four loans totaling $4,007,100 secured by other assets. The loans receivable earn interest at fixed or variable rates which ranged from 2.48 percent to 8.00 percent at December 31, 2024.

The Fund had 173 loans at December 31, 2024. Although the Fund has no geographic restrictions within the United States on where loans are made, aggregate loans in excess of five percent of total balances at December 31, 2024, were located in the following states:

State	Number of Loans	Principal Outstanding	Percent of Loan Portfolio
California	63	$ 63,167,889	46%
Kansas	22	14,332,946	10%
Washington	12	12,331,615	9%
Utah	8	8,950,730	7%
Oregon	13	8,936,039	7%
	118	$ 107,719,219	79%

MENNONITE BRETHREN LOAN FUND

Notes to Financial Statements

December 31, 2024, 2023, and 2022

4. LOANS RECEIVABLE, NET, continued:

At December 31, 2024, the Fund had 135 borrowers with balances as follows:

Loan Balance	Number of Borrowers	Principal Outstanding	Percent of Loan Portfolio
$0 - $500,000	72	$ 13,924,467	10%
$ 500,001 - $1,000,000	27	18,371,784	14%
$1,000,001 - $1,500,000	14	17,623,681	13%
$1,500,001 - $2,000,000	8	14,321,388	10%
$2,000,001 - $2,500,000	4	8,817,028	6%
$2,500,001 - $3,000,000	1	2,783,130	2%
Over $3,000,000	9	61,051,229	45%
	135	$ 136,892,707	100.0%

Although the Fund has a diverse portfolio of loans primarily to Mennonite Brethren churches, organizations and qualified individuals, as well as other organizations that share similar values, concentrations of credit risk exist with respect to individually significant borrowers, which are defined as those exceeding five percent of the total loan portfolio. At December 31, 2024, there were four individually significant borrowers whose balances totaled $41,593,579.

5. PROPERTY AND EQUIPMENT, NET:

Property and equipment consists of:

	December 31, 2024	December 31, 2023	December 31, 2022
Land	$ 147,778	$ 147,778	$ 147,778
Building	4,782,913	4,782,913	2,034,540
Software	30,373	30,373	30,373
	4,961,064	4,961,064	2,212,691
Accumulated depreciation	(476,434)	(346,142)	(283,973)
	$ 4,484,630	$ 4,614,922	$ 1,928,718

MENNONITE BRETHREN LOAN FUND

Notes to Financial Statements

December 31, 2024, 2023, and 2022

6. INVESTMENT CERTIFICATES:

The Fund issues certificates, which are the Fund's unsecured debt securities, to primarily Mennonite Brethren churches, organizations and individuals that invest in the Fund. Certificates are redeemable at end of terms ranging from one to five years or on demand and earn interest at variable rates (from 3.50% to 5.15% at December 31, 2024). The Fund was indebted on investment certificates as summarized below:

	December 31,		
	2024	2023	2022
Demand:			
Advantage	$ 17,363,489	$ 12,527,136	$ 16,136,987
Demand	10,058,951	6,952,659	5,546,813
Preferred	61,413,609	52,078,922	54,407,613
	88,836,049	71,558,717	76,091,413
Term:			
11 month	-	9,830,023	-
One year	20,826,033	12,377,755	13,018,219
13 month	-	7,246,042	-
15 month	4,872,063	-	-
Two year	4,678,358	5,343,117	7,010,659
Three year	5,251,428	4,718,643	5,930,149
Four year	708,170	955,261	2,540,253
Five year	39,721,245	35,880,245	36,443,131
	76,057,297	76,351,086	64,942,411
	$ 164,893,346	$ 147,909,803	$ 141,033,824

Amounts are presented in the schedule below based on the year in which the investment certificates are scheduled to mature. Notwithstanding the foregoing, the Fund will pay any redemption of an investor's demand certificate within 30 days after receiving the request, although the Fund generally can honor requests much more quickly; term certificates may not be redeemed without the Fund's consent before they mature and any redemptions prior to maturity are subject to substantial penalties.

Year of Maturity	Amount
Demand	$ 88,836,049
2025	39,287,377
2026	12,809,130
2027	11,168,100
2028	5,044,785
2029	7,747,905
	$ 164,893,346

6. INVESTMENT CERTIFICATES, continued:

At December 31, 2024, the Fund had a total of 254 investors with aggregate investment certificate balances of $100,000 or more as follows:

Certificate Balances	Number of Investor Households	Amount	Percent of Certificate Balances Outstanding
$100,000 - $200,000	117	$ 15,872,653	10%
$200,001 - $300,000	52	13,034,071	8%
$300,001 - $500,000	44	16,160,591	10%
Greater than $500,000	37	39,029,275	24%
Related parties (Note 8)	4	62,504,468	38%
	254	$ 146,601,058	90%

At December 31, 2024, the Fund had 1,930 certificates, with the primary concentrations by state as follows:

State	Number of Certificates	Amount	Percent of Certificate Balances Outstanding
Kansas	852	$ 93,679,095	57%
California	517	34,074,156	21%
Oklahoma	228	12,597,271	8%
	1,597	$ 140,350,522	86%

7. NET ASSETS WITHOUT DONOR RESTRICTIONS:

Net assets without donor restrictions consist of:

	December 31, 2024	2023	2022
Undesignated	$ 8,917,102	$ 8,273,754	$ 7,501,954
Capital adequacy reserve	9,151,741	8,224,349	7,822,175
	$ 18,068,843	$ 16,498,103	$ 15,324,129

8. RETIREMENT PLAN:
The Fund matches up to 6% of annual compensation for all eligible employees working 20 hours or more a week to a 403(b) plan sponsored by the Foundation. Employer contributions totaled $39,589, $44,145, and $32,597, during 2024, 2023, and 2022, respectively.

9. RELATED PARTY TRANSACTIONS:
As described in Note 1, the Fund is affiliated with the Foundation. The Fund's Board members are also Foundation Board members. The Foundation has agreed to provide management and accounting services to the Fund at a fee to be determined periodically. Management fees paid by the Fund to the Foundation during 2024, 2023, and 2022 totaled $88,200, $76,200, and $65,628, respectively. In addition, the Fund made a grant to the Foundation of $0, $4,348,363, and $350,000, in 2024, 2023, and 2022, respectively. One preferred demand certificate held by the Foundation bears interest at a variable rate (5.19% at December 31, 2024). The balance on this certificate as of December 31, 2024, 2023, and 2022, was $61,413,609, $52,078,922, and $54,407,613, respectively.

Some of the Fund's board members also serve on the board of the U.S. Conference of Mennonite Brethren Churches (U.S. Conference), boards of the district conferences and boards of Mennonite Brethren educational institutions. From time to time the Fund may have loans or certificates outstanding with the U.S. Conference, district conferences, or Mennonite Brethren educational institutions.

The Fund offers a Home Loan program in which loans are available for the purchase or construction of primary residences in the United States for qualified church, district and conference employees. In addition, it is available to the Fund's staff as a benefit of employment. Board members, who are otherwise eligible, may participate in the Home Loan program. At December 31, 2024, the Fund had four loans with an outstanding combined balance of $581,223, with a weighted average interest rate of 2.71%, with four officers. As of that same date, the Fund had three loans outstanding to three employees with an outstanding combined balance of $178,248, with an interest rate of 4.19%. At December 31, 2024, the Fund had seven certificates totaling $671,016, with an average interest rate of 4.43%, to a Mennonite Brethren Conference who has a board member also on the Fund's board. The fund also has 13 certificates totaling $472,461, with an average interest rate of 4.00%, to churches who have board members on the Fund's board or officers of the Fund and six certificates totaling $148,473, with an average interest rate of 4.30%, to a ministry who has a board member that is also an officer of the Fund. At December 31, 2024, the Fund also had a line of credit loan commitment to a Mennonite Brethren Conference for a total of $200,000, with an interest rate of 7.0%, of which is $200,000 is unfunded.

9. RELATED PARTY TRANSACTIONS, continued:

At December 31, 2023, the Fund had four loans with an outstanding combined balance of $599,112, with a weighted average interest rate of 2.71%, with four officers. As of that same date, the Fund had three loans outstanding to three employees with an outstanding combined balance of $119,978, with an interest rate of 3.02%. At December 31, 2023, the Fund had seven certificates totaling $737,243, with an average interest rate of 3.85%, to a Mennonite Brethren Conference who has a board member also on the Fund's board. The fund also has 13 certificates totaling $430,321, with an average interest rate of 3.92%, to churches who have board members on the Fund's board or officers of the Fund and six certificates totaling $127,421, with an average interest rate of 3.79%, to a ministry who has a board member that is also an officer of the Fund. At December 31, 2023, the Fund also had a line of credit loan commitment to a Mennonite Brethren Conference for a total of $200,000, with an interest rate of 6.5%, of which is $200,000 is unfunded. At December 31, 2023, the Fund also had a loan with an outstanding balance of $21,854, and an interest rate of 6.5%, to a church who has a board member that is also an officer of the Fund.

For the year ended December 31, 2023, the Fund recognized $2,748,363 of donated property and equipment, which was purchased from the Foundation for consideration of $10.

At December 31, 2022, the Fund had four loans with an outstanding combined balance of $618,283, with a weighted average interest rate of 2.71%, with four officers. As of that same date, the Fund had three loans outstanding to three employees with an outstanding combined balance of $129,199, with an interest rate of 2.95%. At December 31, 2022, the Fund had seven certificates totaling $840,614, with an average interest rate of 1.58%, to a Mennonite Brethren Conference who has a board member also on the Fund's board. The fund also has 14 certificates totaling $473,787, with an average interest rate of 1.68%, to churches who have board members on the Fund's board or are officers of the Fund, and four certificates totaling $113,741, with an average interest rate of 1.43%, to a ministry who has a board member that is also an officer of the Fund. At December 31, 2022, the Fund also had a line of credit loan commitment to a Mennonite Brethren Conference for a total of $200,000, with an interest rate of 5.75%, of which is $180,000 is unfunded. At December 31, 2022, the Fund also had a loan with an outstanding balance of $34,691, and an interest rate of 5.25%, to a church who has a board member that is also an officer of the Fund.

10. CONCENTRATION OF CREDIT RISK:

Financial instruments that potentially subject the Fund to concentrations of credit risk consist principally of cash and cash equivalents, marketable securities and loans receivable.

From time to time, cash deposits are in excess of the FDIC insured limits; while management is mindful of the FDIC limits, they realize that cash balances generated in the ordinary course of business will generally exceed FDIC insured limits. At December 31, 2024, approximately $28.3 million of the Fund's assets were managed by the investment management firm of Charles Schwab & Co., Inc., member SIPC.

10. CONCENTRATION OF CREDIT RISK, continued:

Concentrations of credit risk with respect to loans receivable are limited to a certain extent by the secured position of the Fund in most instruments, the number of organizations comprising the Fund's loans receivable base and their dispersion across geographic areas, and the Fund's policy of limiting the maximum loan amount to any one borrower. As described in Note 2, the Fund's policy is to make loans primarily to Mennonite Brethren churches, organizations and qualified individuals, as well as other organizations that share similar values. At December 31, 2024, approximately 34% of the loans were to qualified organizations, 7% were to qualified church workers and 59% were to other organizations. Loans made by the Fund are typically secured by first mortgages and are normally limited to 75% of the aggregate cost or value of the property securing the loan. As described in Note 4, the Fund also had $4,007,100 in unsecured loans, loans secured by third party guarantees or other sources. While the Fund may be exposed to credit losses in the event of nonperformance by the above contracting parties, management has established an allowance for potential credit losses, which it believes is adequate to cover any such losses.

A substantial portion of the investment certificates issued by the Fund are demand instruments or will be maturing within the next two years. In addition, all demand investment certificates are payable upon 30 days written notice subject to availability of funds. The Fund has insufficient liquid assets to satisfy repayment of this amount. Management anticipates, similar to past history, that a substantial portion of these certificates will be reinvested or rolled over into new certificates with the Fund.

11. LOAN COMMITMENTS:

In the normal course of business, the Fund makes commitments to extend loans to meet the financing needs primarily of Mennonite Brethren churches, organizations and qualified individuals, as well as other organizations that share similar values. At December 31, 2024, the Fund had outstanding commitments of approximately $12,760,000 to fund construction in progress, undrawn lines of credit and real estate mortgages.

Outstanding commitments are letters that outline the terms and conditions of the mortgage to be granted. The total commitment amount does not necessarily represent future cash requirements since construction costs may not total the amount the Fund agreed to lend or the commitments may expire without being fully drawn upon. The Fund's exposure to credit loss, in the event of nonperformance by the churches to which it has extended commitments, is limited to the amount of the commitment. The Fund controls the credit risk of its commitments through credit approvals, limits and monitoring procedures.

12. FAIR VALUE MEASUREMENTS AND DISCLOSURES:
The Fund uses appropriate valuation techniques to determine fair value based on inputs available. When available, the Fund measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. The valuations for each of these levels are determined as follows:

Level 1 - Quoted prices for identical instruments traded in active markets.

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in inactive markets or model-based valuations where significant assumptions are observable.

Level 3 - Model-based techniques using significant assumptions that are not observable. These unobservable assumptions reflect estimates of assumptions that market participants would use.

The table below presents the level within the fair value hierarchy at which investments are measured at December 31, 2024:

	Total	Level 1	Level 2	Level 3
Money market funds	$ 5,711,507	$ 5,711,507	$ -	$ -
Mutual Funds	8,431,042	8,431,042	-	-
Equities	2,215,340	2,215,340	-	-
Certificate of deposits	3,793,421	-	3,793,421	-
U.S. Government bonds	5,572,947	-	5,572,947	-
	25,724,257	16,357,889	9,366,368	-
Corporate bonds:				
AAA	124,976	-	124,976	-
AA	59,953	-	59,953	-
A	1,893,573	-	1,893,573	-
BBB	3,469,982	-	3,469,982	-
	5,548,484	-	5,548,484	-
	$ 31,272,741	$ 16,357,889	$ 14,914,852	$ -

12. FAIR VALUE MEASUREMENTS AND DISCLOSURES, continued:

The table below presents the level within the fair value hierarchy at which investments are measured at December 31, 2023:

	Total	Level 1	Level 2	Level 3
Money market funds	$ 5,966,925	$ 5,966,925	$ -	$ -
Mutual Funds	3,780,501	3,780,501	-	-
Equities	2,233,816	2,233,816	-	-
Certificate of deposits	2,870,137	-	2,870,137	-
U.S. Government bonds	2,458,930	-	2,458,930	-
	17,310,309	11,981,242	5,329,067	-
Corporate bonds:				
AA	78,000	-	78,000	-
A	1,576,081	-	1,576,081	-
BBB	2,346,202	-	2,346,202	-
	4,000,283	-	4,000,283	-
	$ 21,310,592	$ 11,981,242	$ 9,329,350	$ -

The table below presents the level within the fair value hierarchy at which investments are measured at December 31, 2022:

	Total	Level 1	Level 2	Level 3
Money market funds	$ 3,501,422	$ 3,501,422	$ -	$ -
Mutual Funds	3,503,283	3,503,283	-	-
Equities	1,772,087	1,772,087	-	-
Certificate of deposits	1,692,437	-	1,692,437	-
U.S. Government bonds	2,601,261	-	2,601,261	-
	13,070,490	8,776,792	4,293,698	-
Corporate bonds:				
AA	76,687	-	76,687	-
A	1,585,012	-	1,585,012	-
BBB	2,433,309	-	2,433,309	
BB+ or below	34,525	-	34,525	-
	4,129,533	-	4,129,533	-
	$ 17,200,023	$ 8,776,792	$ 8,423,231	$ -

12. FAIR VALUE MEASUREMENTS AND DISCLOSURES, continued:

The following methods and assumptions were used by the Fund to estimate the fair value of each class of financial instruments at December 31, 2024, 2023, and 2022:

Investments - The fair values for money market funds, mutual funds and equities are determined by reference to quoted market prices and other relevant information generated by market transactions. The fair value of certificates of deposit, government bonds and corporate bonds are based on yields currently available on comparable securities of issuers with similar credit ratings.

13. FUNCTIONAL ALLOCATION OF EXPENSES:

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, which are allocated on a square footage basis, as well as salaries and benefits, and certain office expenses, which are allocated on the basis of estimates of time and effort. The following table presents the functional allocation of expenses for the years ended December 31, 2024, 2023, and 2022.

	For the Year Ended December 31, 2024		
	Program Services	General and Administrative	Total
Interest on certificates	$ 7,797,563	$ -	$ 7,797,563
Salaries and benefits	519,157	470,230	989,387
Professional fees	49,087	53,613	102,700
Depreciation	47,796	82,496	130,292
Travel	17,808	-	17,808
Office expenses and other	210,048	109,105	319,153
Total	$ 8,641,459	$ 715,444	$ 9,356,903

	For the Year Ended December 31, 2023		
	Program Services	General and Administrative	Total
Interest on certificates	$ 5,562,137	$ -	$ 5,562,137
Salaries and benefits	436,058	442,260	878,318
Grant to the Foundation	4,348,363	-	4,348,363
Professional fees	38,169	30,992	69,161
Depreciation	24,957	37,212	62,169
Travel	19,272	-	19,272
Office expenses and other	170,361	94,423	264,784
Total	$ 10,599,317	$ 604,887	$ 11,204,204

13. FUNCTIONAL ALLOCATION OF EXPENSES, continued:

	For the Year Ended December 31, 2022		
	Program Services	General and Administrative	Total
Interest on certificates	$ 2,202,812	$ -	$ 2,202,812
Salaries and benefits	364,674	430,051	794,725
Grant to the Foundation	350,000	-	350,000
Professional fees	37,651	31,410	69,061
Depreciation	18,755	35,542	54,297
Travel	23,498	-	23,498
Office expenses and other	163,102	109,577	272,679
Total	$ 3,160,492	$ 606,580	$ 3,767,072

14. LIQUIDITY AND FUNDS AVAILABLE:
The following table reflects the Fund's financial assets as of December 31, 2024, 2023, and 2022, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, unfunded portions of line of credit commitments, or liquidity reserve limits required for church extension funds.

	December 31,		
	2024	2023	2022
Financial assets:			
Cash and cash equivalents	$ 956,194	$ 1,099,777	$ 495,075
Investments	42,158,498	28,761,984	25,794,308
Other receivables	426,735	361,740	361,740
Accrued interest receivable	811,501	592,265	524,543
Loans receivable (gross)	136,892,707	131,756,453	130,043,358
Less: allowance for credit losses	(2,717,612)	(2,717,612)	(2,717,612)
Financial assets, at year end	178,528,023	159,854,607	154,501,412
Less those unavailable for general expenditure within one year, due to:			
Loans receivable collectible beyond one year	(134,943,462)	(113,905,137)	(122,250,847)
Other receivable collectible beyond one year	(426,735)	(361,740)	(361,740)
Church extension fund required liquidity reserves*	(6,208,784)	(5,749,823)	(5,197,573)
Financial assets available to meet cash needs for general expenditures within one year	$ 36,949,042	$ 39,837,907	$ 26,691,252

14. LIQUIDITY AND FUNDS AVAILABLE, continued:

* The North American Securities Administrators Association's statement of policy regarding church extension fund securities states that at the end of its most recent fiscal year as reported in is audited financial statements, the church extension fund's cash, cash equivalents, readily marketable securities and available lines of credit shall have a value of at least 8% of the principal balance of its total outstanding certificates, except that the value of available lines of credit for meeting this standard shall not exceed 2% of the principal balance of its total outstanding certificates. Certificates held by the Fund's affiliate are excluded from this calculation.

The Fund structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. On December, 19, 2022, the Fund entered into a revolving line of credit agreement with a bank, allowing for maximum borrowings of $5,000,000, of which $0, $0 and $250 was outstanding at December 31, 2024, 2023, and 2022, respectively. Interest on the line credit is paid monthly at the prime rate plus 0.125% (prime was 7.5% at December 31, 2024). This line of credit is unsecured and expires in December 2025.

15. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through March 20, 2025, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

MB FOUNDATION
Giving Meaning to Money®

MB LOAN FUND
PURCHASE APPLICATION AND AGREEMENT

SECTION I: CERTIFICATE OPTIONS

☐ Demand Certificate

☐ Advantage Certificate[1]

Employer: ____________________________

☐ Term Certificate

Term: ☐1-yr ☐2-yrs ☐3-yrs ☐4-yrs ☐5-yrs

☐ Other: _____________________

INITIAL INVESTMENT: $______________ (At least $100 for Demand and Advantage Certificates, and $1,000 for a Term Certificate.)

FUNDING METHOD: ☐ Check (payable to MB Loan Fund) ☐ Electronic Transfer (please complete #9 on back)

INTEREST REDEMPTION: Interest accrues daily and may be added to your Certificate principal monthly OR automatically remitted to you. Amount of payable interest must exceed a minimum of $50 per remittance.

☐ Reinvest interest to principal ☐ Pay interest automatically monthly (please complete #9 on back)

SECTION II: APPLICANT AND OWNERSHIP INFORMATION

OWNERSHIP TYPE: ☐ Single ☐ Joint[4] ☐ Trust[5] ☐ Organization

Trust Name / Organization Name (if applicable) EIN Date of Trust Agreement (if applicable)

Name of Primary Applicant / Authorized Signer

Street Address

City, State & Zip

Mailing Address (if different than above)

SSN Date of Birth Main Phone

E-mail Address

Church

Name of Joint Applicant / Authorized Signer (if applicable

Street Address (if different than Primary's)

City, State & Zip

Mailing Address (if different than above)

SSN Date of Birth Main Phone

E-mail Address

Church (if different than Primary's)

SECTION III: PAY ON DEATH (OPTIONAL)

☐ **PRIMARY BENEFICIARY** By checking this box, you authorize MBLF to pay the principal and accrued interest on your Certificate to the 501(c)(3) tax-exempt organization or beneficiaries identified below at your death.

Name of tax-exempt organization or individual beneficiary

Address

City, State and Zip

SSN / EIN Main Phone

☐ **CONTINGENT BENEFICIARY** You may designate a contingent beneficiary to receive the principal and accrued interest on your Certificate at your death, in the event that the designated beneficiary predeceases you.

Name of tax-exempt organization or contingent beneficiary

Address

City, State and Zip

SSN / EIN Main Phone

If you have completed Section III, please review Paragraph 7 of Section IV (on the other side of this page) carefully and complete it as necessary.

SECTION IV: REPRESENTATIONS AND AGREEMENT

BY SIGNING BELOW, YOU REPRESENT AND AGREE TO THE FOLLOWING:

1. **Advantage Certificate** Advantage Certificate available only to Mennonite Brethren churches and organizations, past and present MB pastors and missionaries, and employees of Fresno Pacific University, MB Foundation, Multiply, Tabor College, USMB, district conferences and MB churches.

2. **Purchase of Certificate Applied for** You agree to purchase the Certificate indicated in this Purchase Application and Agreement.

3. **Terms of Certificate** You have received and read the MBLF Offering Circular dated April 30, 2025 and the MBLF financial statements included in it. You understand and agree to the terms of the Certificate you are applying for.

4. **Liability of Joint Applicants** If a Certificate is being purchased for joint ownership, the Certificate will be issued to the Primary and Joint Applicant as joint tenants with the right of survivorship. MBLF will report interest to the Primary Applicant. If the Joint Applicant is a minor, the parent or guardian of the minor must sign this application on the applicant's behalf. Both the Primary Applicant and the Joint Applicant must sign below. In that case, "you" shall refer to both applicants, and they shall be jointly and severally liable under this Purchase Application and Agreement. MBLF is authorized to act upon the instructions and directions of either applicant in all matters, except changing ownership.

5. **Certification of Trust** If a Certificate is being purchased for ownership in trust, each trustee identified as a Primary Applicant must sign below. In that case, "you" shall refer to all trustees. By signing below, you certify that the trust identified in Section II has not been revoked, modified, or amended in any manner that would cause this certification of trust to be incorrect. MBLF will report to Primary Applicant unless Trust EIN is provided.

6. **Withholding Certification** Under penalties of perjury, each undersigned Applicant certifies that:

   (a) the Social Security or Federal Identification Number listed under your name in Section II is correct; and

   (b) you are either exempt from withholding or otherwise not subject to backup withholding. The IRS has not notified you that part of your dividend and interest is to be withheld as a result of your failure to report all dividend and interest income. **Please draw an "X" through this paragraph if you ARE subject to backup withholding**.

7. **Beneficiaries** If you have completed Section III, you authorize MBLF to pay the outstanding principal and accrued interest on your Certificate to the primary beneficiary or contingent beneficiary at your death. MBLF may make this payment to the contingent beneficiary if the primary beneficiary is an individual who predeceases you or an organization that no longer functions as a qualified 501(c)(3) organization with a mission purpose consistent with your intended donation. MBLF reserves the right to refuse a donation request to an organization that, in MBLF's discretion, is contrary to the mission of the U.S. Conference. You may change or revoke any beneficiary designation in Section III at any time. But a beneficiary designation and this Purchase Application and Agreement shall be binding on your heirs, beneficiaries and legal representatives. **In addition, you represent either (i) that you are unmarried, or (ii) that your spouse has signed either this Purchase Application and Agreement as an Applicant, or the following Spousal Consent:**

I am the spouse of the Primary Applicant or Joint Applicant identified in Section II of this Purchase Application and Agreement. I give to my spouse any interest I have in the funds to be invested in the Certificate applied for in this Purchase Application and Agreement. I agree to my spouse naming a beneficiary other than myself. I acknowledge that I have received a fair and reasonable disclosure of my spouse's property and financial obligations. I shall have no claim against MBLF or any beneficiary designated under this Purchase Application and Agreement for any payment made to the beneficiary.

Signature of Spouse of Primary Applicant — Date

Signature of Spouse of Joint Applicant — Date

8. **Authority of organization** If you are an organization, you represent that you have been duly authorized to purchase the Certificate indicated in this Purchase Application and Agreement, and that the undersigned signatory has been authorized to sign on your behalf.

9. **ACH Authorization**

   I/We authorize MB Loan Fund to initiate either credit entries, redemptions, or debit entries, withdrawals, to/from the bank for any specific request submitted to MB Loan Fund. Automatic interest payments will only be sent electronically.

   Account Number

   Routing Number (from lower left hand corner of check)

   Name of Financial Institution where you maintain the account

10. **Paper Statements**

    ☐ Please send my statements by mail to the mailing address listed in Section II of this application.

SIGNATURES

MBLF will not process your application until you have completed Sections I and II and signed below. If you are signing on behalf of an Organization, print your name and title on the provided line. A parent or guardian must sign on behalf of a minor.

Signature of Primary Applicant / Authorized Signer — Date

Print Name (and Title of signatory if on behalf of organization)

Signature of Joint Applicant / Authorized Signer (if applicable) — Date

Print Name (and Title of signatory if on behalf of organization)

Please return this Purchase Application and Agreement to MB LOAN FUND.

MB FOUNDATION
Giving Meaning to Money®

MB LOAN FUND
CERTIFICATE RATE SHEET

INTEREST RATES EFFECTIVE FEBRUARY 1, 2025

	Nominal Rate	APY
Demand Certificate	3.00%	3.04%
Advantage Certificate	3.30%	3.35%
Term Certificates:		
1 Year	4.00%	4.07%
2 Year	4.20%	4.28%
3 Year	4.40%	4.49%
4 Year	4.60%	4.70%
5 Year	4.80%	4.91%

ALL RATES ARE VARIABLE

200 EAST D ST, P.O. BOX 220, HILLSBORO, KS 67063 **P** 620.947.3151 **F** 620.947.3266 **TOLL FREE** 800.551.1547 **www.mbfoundation.com**