



Anabaptist  
Foundation

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*Stewardship connections with integrity*

## INSTRUCTIONS FOR COMPLETING THIS DOCUMENT

1. Complete the information on pages 1 and 4 of the document.
2. Mail the completed document, along with a check payable to *Anabaptist Foundation*, to our Accounting Office:  
Anabaptist Foundation  
1245 Old Route 15  
New Columbia, PA 17856

If you have any questions, please contact Melissa Moyer at, (800) 653-9817 x753.

**Anabaptist Foundation**  
1245 Old Route 15, New Columbia, PA 17856  
Telephone: (800) 653-9817; Fax: (866) 230-6253  
Email: [info@afweb.org](mailto:info@afweb.org) | [www.afweb.org](http://www.afweb.org)



# Anabaptist Foundation

*Stewardship connections with integrity*

## INVESTMENT MANAGEMENT AGREEMENT

### GENERAL INFORMATION

#### **ORGANIZATION:**

Name: \_\_\_\_\_

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

Phone: \_\_\_\_\_

TIN or EIN Number: \_\_\_\_\_ PLEASE CHECK ONE:  Church |  501(c)(3) |  Other

#### **CONTACT PERSON:**

Name: \_\_\_\_\_

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

Phone: \_\_\_\_\_

#### **INVESTMENT:**

Name of Fund/Monies being invested (Medical/Deacon/Building Fund, etc.): \_\_\_\_\_

Amount Enclosed: \$ \_\_\_\_\_

#### PLEASE CHECK ONE:

- I want my quarterly statement mailed to the address of Organization
- I want my quarterly statement mailed to the address of Contact Person

#### PLEASE CHECK ONE:

- I wish to receive my quarterly interest payment mailed to me in the form of a check
- I wish to have my quarterly interest payment added to my investment account

#### PLEASE CHECK ONE:

- This is a Long-Term Investment (One year commitment, then Demand plus 90 days)
- This is a Short-Term Investment (Demand plus 45 days)

THIS AGREEMENT, effective the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between  
\_\_\_\_\_, hereinafter referred to as "Client," and  
Name of Organization

ANABAPTIST FOUNDATION, a Pennsylvania not-for-profit corporation located at New Columbia,  
Pennsylvania hereinafter referred to as "Foundation,"

#### WITNESSETH:

1. The Client has this day delivered to the Foundation cash and/or securities, which, together with other cash or securities that hereafter may be added to this account, shall constitute the property under this Agreement and shall be referred to as the *Investment Management Account*.

2. The Client hereby constitutes, appoints and designates the Foundation as its agent and attorney-in-fact for the investment of the *Investment Management Account*.
3. The Client reserves the following rights:
  - a. To add other cash or securities or other property at any time and in any amount
  - b. To withdraw cash or other securities or other property in any amount by giving the Foundation the notice required by the choice made above and described below:
    - i. **Long Term Investment**--Client agrees to the following terms: The investment is committed for 1 year after which the Client will give (90) days notice in writing of such withdrawal. However, the Client can withdraw this investment at anytime contingent upon the payment of a 1% early withdrawal penalty (\$50.00 minimum). This investment receives the quarterly adjusted Long Term Investment rate, which is further defined in *INVESTMENT POLICIES* under *Adjusted interest rate for Long Term Investments*.
    - ii. **Short Term Investment**--Client agrees to the following terms: The client will give (45) days notice in writing of such withdrawal. However, the Client can withdraw this investment at any time contingent upon the payment of a 0.5% early withdrawal penalty (\$25.00 minimum). This investment receives the quarterly adjusted Short Term Investment rate, which is further defined in *INVESTMENT POLICIES* under *Adjusted interest rate for Short Term Investments*.
  - c. To terminate this Agreement at any time upon giving the Foundation a (45 day for Short Term; and the time remaining of the 1 year commitment + 90 days for Long Term) notice in writing of the desire to terminate
4. The Foundation has the following powers and authorities with respect to all cash, securities, and other property delivered to it or held by it pursuant to this Agreement:
  - a. To accept from Client additional cash or securities or other property
  - b. To invest and reinvest, in its sole discretion and in the best interests of the Client, in any bonds, notes, commercial paper, debentures, preferred or common stocks, shares or interests in common trust funds, or common investment funds, or other securities
  - c. To hold any property transferred to Foundation in Foundation's name as Trustee, or in a nominee name of Foundation, or to cause any such property to be held in the name of a bank and/or trust company, selected in Foundation's discretion, or a nominee name of any such bank and/or trust company, pursuant to an agreement entered into by Foundation as provided in paragraphs 4.d. and 4.e. of this Agreement
  - d. To enter into arrangements, including custodial, agency, or trust agreements, with banks and/or trust companies whereby any securities held by Foundation or over which Foundation exercises supervision or control on behalf of Client pursuant to this Agreement may be transferred to or held by such bank and/or trust company for custody or safekeeping
  - e. To enter into arrangements, including custodial, agency, or trust agreements, with banks and/or trust companies whereby the custody and possession of short term securities, including but not limited to commercial paper, government paper, bonds, debentures, and similar short-term securities, and/or the custody and possession of cash to be invested in such short term securities, held by the Foundation or over which the Foundation otherwise exercises supervision or control on behalf of Client pursuant to this Agreement, is transferred to such bank and/or trust company for discretionary investment in such securities by such bank and/or trust company, in either an individual account or on a pooled or commingled basis
  - f. To select the brokers or dealers through or with whom investment transactions are to be affected in the Investment Management Account. The Client hereby directs that the

- Foundation obtain for the Client in such transactions the best execution and price but may, consistent with the foregoing, select brokers and dealers on the basis of their having furnished statistical, research and other services to the Foundation;
- g. To acquire an undivided interest in a trust asset in which the Foundation, in any trustee capacity, holds an undivided interest
  - h. To pay taxes, assessments, and other expenses incurred in the acquisition, retention, investment and reinvestment, and maintenance of the Investment Management Account and in the administration of said property under the terms of this Agreement
  - i. To employ persons, including, among others, attorneys, accountants, investment advisors and agents, to advise and assist the Foundation in the performance of its duties
  - j. To execute and deliver all instruments necessary or appropriate to accomplish or facilitate the exercise of the Foundation's powers and authorities
  - k. To vote securities, in person or by a general or special proxy, and to effect or approve, and deposit securities in connection with, any change in the form of the corporation including among other things, dissolution, liquidation, reorganization, acquisition and merger
  - l. To do all the acts appropriate or essential for the proper handling of this Investment Management Account; by way of illustration and not limitation, such acts as clipping coupons of bonds, receiving dividends and other payments of income, executing proxies on stocks, signing stock or bond powers
  - m. To terminate this Agreement at any time by giving 30 days notice in writing to the Client and by delivering to the Client the cash and securities
5. It is understood that Client is the owner of all property which it transfers to Foundation, and that Foundation is authorized to commingle for the purpose of investment said property with other property which the Foundation holds or invests for others. In the event of any such commingling, Foundation agrees to keep detailed records indicating the extent of Client's interest in such property.
  6. The Foundation shall be under the following duties with respect to this Agreement:
    - a. To promptly and prudently invest all monies that are to be invested
    - b. To advise Client in writing the name of any bank and/or trust company in which property belonging to this account is held
    - c. To submit to Client a complete accounting statement at least quarterly each calendar year
    - d. To make payments to Client of income and principal instructed by Client from time to time
    - e. To furnish to the Client all of the needed information about the account and make all the requisite reports relative to any taxes
    - f. To supply Client, upon its request, information about and details of the account for its report and financial statements
  7. The Foundation shall not be liable for any decline in market value of any security or for any loss sustained which is not attributable to its own negligence or wrongdoing.
  8. No assignment of this Agreement will be made by the Foundation without the prior notification and written consent of Client, however, to the extent that any arrangement entered into by the Foundation and its affiliates pursuant to the authority of paragraphs 4.d. and 4.e. of this Agreement be deemed an assignment of all or any part of this Agreement, Client hereby specifically consents to such assignment.
  9. For Foundation's services hereunder as agent and investment manager, Client agrees to pay the Foundation's customary fee computed pursuant to the schedule of fees in effect at the time such services are rendered. The Foundation reserves the exclusive right to amend the fee

schedule annually upon 60-day written notice to Client. Client agrees that fees may be charged against principal or income. It is further understood that the fee schedule applies to each separate account managed by the Foundation for Client. Further, Client authorizes the Foundation to be paid directly from the Investment Management Account held by an independent custodian.

10. Client may terminate this Agreement, without penalty, within five business days of its execution.
11. Client acknowledges and agrees that all assets and funds subject to this Agreement shall be invested and managed in accordance with the Foundation's Investment and Loan Guidelines and Policies which have been provided to Client. Client acknowledges and agrees that the Foundation may change or amend such Investment and Loan Guidelines at any time. The Foundation will inform the Client in writing on any changes or amendments to such Guidelines. Client understands that the Investments invested by the Foundation are exempt from registration requirements of federal securities laws, pursuant to an exemption for collective investment funds maintained by charitable organizations.
12. This Agreement, along with any disclosures provided to Client by the Foundation, contains the complete agreement between the parties with respect to its subject matter, superseding any existing agreements, negotiations, prior discussions and preliminary agreements and cannot be altered, amended or terminated without the written agreement of both parties hereto.
13. Each of the provisions contained in this Agreement shall be severable, and the unenforceability of one shall not affect the enforceability of any others or of the remainder of this Agreement.
14. The validity, performance, construction and effect of this Agreement shall be governed by the laws of the State of Pennsylvania, without regard to the provisions for choice of law thereunder.

IN WITNESS WHEREOF, the Client and Foundation hereby have caused this Agreement to be executed by its authorized officers each of whom represents that he or she has full capacity and authority to enter into this Agreement.

CLIENT SIGNATURE

\_\_\_\_\_  
Signature of Authorized Individual                      Date

\_\_\_\_\_  
Print Name and Title of Authorized Individual

ANABAPTIST FOUNDATION

\_\_\_\_\_  
Name and Title of Authorized Officer



### **Investment connection**

The overarching principle guiding our investment method is to enhance financial fellowship by facilitating mutual aid with mutual gain within the brotherhood. For this reason, we reinvest all investments in a loans program with the Anabaptist brotherhood.

### **Adjusted Interest Rate for Long Term Investments**

Anabaptist Foundation shall pay interest on the amount invested and any interest that has been added to the investor's investment account at a variable rate equal to the 6-Month Treasury Bill plus 1.25%. The "6-Month Treasury Bill," shall mean the variable interest rate that is published in *The Wall Street Journal* as the "6-Month Treasury Bill" or words to that effect. The variable rate of interest set forth herein shall be adjusted quarterly on January 1, April 1, July 1 and October 1 of each calendar year, regardless of any interim change in the 6-Month Treasury Bill, to equal the 6-Month Treasury Bill on, respectively, the previous December 1, March 1, June 1 and September 1 plus 1.25% (adjusted to the nearest one eighth of one percent). Interest accrued is calculated using an average daily balance. The initial interest rate of this agreement shall be 3.75 %.

### **Adjusted Interest Rate for Short Term Investments**

Anabaptist Foundation shall pay interest on the amount invested and any interest that has been added to the investor's investment account at a variable rate equal to the 6-Month Treasury Bill minus 0.75%. The "6-Month Treasury Bill," shall mean the variable interest rate that is published in *The Wall Street Journal* as the "6-Month Treasury Bill" or words to that effect. The variable rate of interest set forth herein shall be adjusted quarterly on January 1, April 1, July 1 and October 1 of each calendar year, regardless of any interim change in the 6-Month Treasury Bill, to equal the 6-Month Treasury Bill on, respectively, the previous December 1, March 1, June 1 and September 1 minus 0.75% (adjusted to the nearest one eighth of one percent). Interest accrued is calculated using an average daily balance. The initial interest rate of this agreement shall be \_\_\_\_\_%. *\*call for current rate*

### **Quarterly Interest Payments**

The interest on IMA accounts is compounded and credited quarterly on the last day of the following months: March, June, September, and December.

### **Minimum Investment**

A minimum investment of \$2,500.00 is necessary to establish an investment account. Additional investments may be made thereafter in amounts of \$1,000.00 or greater.

### **Principal Payments**

Anabaptist Foundation shall repay to charity organizations the principal amount and all accrued (including any interest that has been added to the organization's investment account) and unpaid interest after receiving a written request for payment from the Investor. Frequent withdrawals are discouraged.



**Purpose.** The purpose of Anabaptist Financial is to provide mutual aid within the Anabaptist faith by providing low-interest loans for business real estate purchases, other business related purposes, home purchases, churches and non-profit ministries. Services are limited to Anabaptist persons committed to establishing themselves in the Anabaptist community in a manner consistent with biblical truths as defined in the *1963 Mennonite Confession of Faith* or similar earlier confessions.

**Type of loans.** We reinvest in Kingdom loans for business real estate, business operating, home mortgage and non-profits. We do not offer consumer loans, such as those for automobiles.

**Loan Application.** Parties wishing to obtain funds as a borrower must fill out a Loan Application, showing all assets, liabilities, expected costs, etc. and prior two years of tax returns.

**Mortgage and liens.** If loan application is approved, a mortgage shall be filed on real estate loan and a lien on other loans. This filing is done to protect the investors. The borrower shall assume the entire responsibility and cost of filing the mortgage with the courthouse. As an exception (when a loan is not associated with a purchase), AF may assume the responsibility of filing the mortgage. If a lien is filed, AF assumes the responsibility of filing.

**Adjusted Interest Rate.** The variable interest rate will be indexed to equal the 6 Month Treasury Bill, plus an assigned base rate. The "6-Month Treasury Bill," shall mean the variable interest rate that is published in The Wall Street Journal as the "6-Month Treasury Bill" or words to that effect. The variable rate of interest set forth herein shall be adjusted quarterly on January 1, April 1, July 1, and October 1 of each calendar year, regardless of any interim change in the 6-Month Treasury Bill, to equal the 6-Month Treasury Bill on, respectively, the previous December 1, March 1, June 1 and September 1 (adjusted within one-half of one percent) plus the base rate.

**Monthly payments.** Payments shall be amortized for monthly payments over a specified term of years and be payable on the first day of the month. All late payments of principal or interest shall incur a fee of twenty dollars (\$20.00).

**Term limit.** No real estate loan shall exceed a term limit of twenty-five (25) years. No operating business loan shall exceed a term limit of ten (10) years.

**Loan to Value %.** A loan will supply no greater than 85% of an appraisal or purchase price, whichever is lower. When funding new construction, 85% is determined by the finished cost. When a qualified co-signer provides a guaranty, up to 100% funding of a loan may be available.

**Protection plan.** All items collateralized or mortgaged shall be covered by protection plan for fire, storm, and theft and verified by a policy.

**Loan origination fees:**

Loans below \$150,000: \$500

Loans \$150,000 – \$400,000: \$650

Loans over \$400,000: \$800

Add \$100 to above fees when not using an attorney.

Borrower pays all associated fees:

\$20 Wire Transfer Fee (if provided by AF)

\$150 Title Search (if provided by AF)

Lien recording fee (varies by courthouse and state)

All accessed fees will be withheld from the loan amount funded unless otherwise arranged.

**Required information:**

- Value of collateral (Appraisal may be required)

- Title Search (Title Certificate may be required)

- Previous two years of tax returns

**Late Payment fee.** All late payments of principal or interest shall incur a fee of twenty dollars. (\$20.00)

**Loan default plan.** In the event a borrower fails to make payment within thirty (30) days after due date, an investigation will be conducted to determine the reason for the default. If no favorable solution is reached, or full payments are not received within the next thirty (30) days, a three-man committee will be appointed to manage the finances of the borrower's operation. The committee shall consist of one individual of the borrower's choice from within the congregation, one individual from AF and one individual mutually agreed upon.