

BenefitNews

NEWS ABOUT THE MINISTRIES OF BROTHERS BENEFIT TRUST

FIRST QUARTER 2009

President's Message

Strengthening our institution keeps your money safe

"Is my money safe?"

As I have traveled throughout the country over the past six-plus months as Church of the Brethren Benefit Trust's president, this has been the question that has been on our plan members' and clients' minds. Whether it be from a congregational member in Kansas or from a retirement community executive in Pennsylvania, the bottom line is that people want to know what is going on with their bottom lines.

Yes, assets under BBT's management are safe. That does not mean that the assets, including Brethren Pension Plan's Retirement Benefits Fund, are not exposed to market fluctuations, but it does mean that the management of the funds is sound and that the agency managing the funds is strong and working to get even stronger.

The investing of the funds under BBT's management is performed by eight national managers who are charged with beating their respective benchmarks and being in the top quartile of their peers. Managers are reviewed quarterly by staff, and managers that continually underperform are replaced. Each manager invests to a specific niche. For example, we employ four equity managers who manage investments in five



different styles — value, growth, core, small cap, and international. Thus, even though the Brethren Pension Plan only offers one stock fund, that fund is well diversified in market sectors and investment managers and routinely beats its industry benchmark.

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Credit Union

Banks say "no" to loans, but CoBCU says "yes"

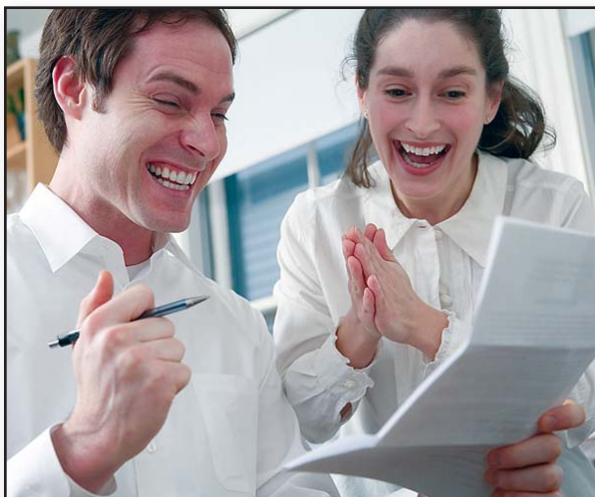
Banks refusing to loan money is a large topic of discussion in the media these days, because offering such credit is believed to be necessary to move us forward in this depressed economy.

But Church of the Brethren Credit Union may be able to loan you the money you need. Because of a significant increase in deposits at the Credit Union, we have money available for loans, and we

would like to help you out if we can. In 2008, shares and other assets deposited into CoBCU increased substantially from the previous year. But the demand for loans offered by the Credit Union decreased by 15 percent, most likely because of increased worry about financial security and acquiring additional debt.

While we do not recommend acquiring unnecessary debt, you should know that if you need a loan — whether an auto loan or other type of loan — the Credit Union may be able to help.

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Good news for credit card holders — the rules are changing!

Good news is coming soon for credit card holders — which includes many of us. The Federal Reserve Board, which supervises and monitors the credit card industry, has created some new rules to rein in excess fees and interest rate increases that have been blamed for driving the American public deeper into debt.

These regulations have resulted from a new bill being considered in the House of Representatives, which has been called the “Credit Cardholders’ Bill of Rights” (H.R. 627). The bill has been introduced to amend the Truth in Lending Act, and will “establish fair and transparent practices relating to the extension of credit.” It outlines stricter guidelines for credit card companies to follow, ending “unfair and deceptive” practices — the kind that are usually listed in the fine print in credit



agreements that we don’t take the time to read.

Whether the bill is passed or not, the Federal Reserve Board has already approved increased regulations that will better protect credit card users. In a press release announcing the Fed’s changed credit card regulations, chairman Ben S. Bernanke said, “The revised rules represent the most comprehensive and sweeping reforms ever adopted by the Board for credit card

accounts. These protections will allow consumers to access credit on terms that are fair and more easily understood.” So what will the new regulations mean for the everyday credit card user? The following are explanations of some of the changes.

No raised interest on previous balances. When the rules take effect in July 2010, creditors will not be able to raise interest rates on your previous balances, which has been their practice in the past. Under the new guidelines, interest rate hikes must apply only to your future purchases and not to your existing account balance, and the credit card company must give you 45 days’ notice prior to the increase.

No more “universal default.” Universal default is when creditors raise your interest rates based on your payment record with other unrelated accounts. In other words, your Visa card interest rate could be increased because of late payment activity on your ComEd account. Under the new provisions, this practice of raising interest rates because of your actions with other accounts will no longer be allowed.

More time to pay bills. Previously, the fine print on some credit card statements had time limits, in addition to deadlines, especially if you paid your bill online. For example, if you submit a payment by

1 p.m. EST, your payment will be credited for that day; if you submit a payment after 1 p.m., the payment will be credited to the next business day. Most consumers don’t read this fine print that details the exact hour a payment must be received, and have been charged late fees because of it. These arbitrary deadlines will be eliminated. Additionally, card companies will be required to give more time for account holders to pay bills.

Companies will need to give you “a reasonable amount of time” to pay bills — 21 days or more — after statements are mailed or delivered.

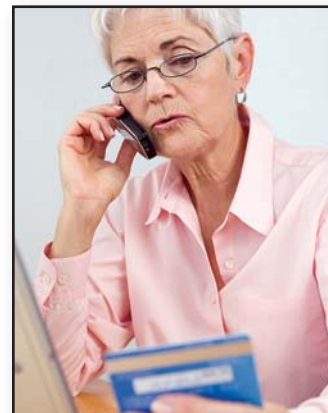
Two-cycle billing banned. Two-cycle billing, sometimes called double-cycle billing, is when the finance charge on your credit card balance is calculated based on the previous two months, rather than only one month. Double-cycle billing affects customers who pay their credit card bills in full for one month, but not the next. They are charged a higher finance charge based on the two months, even though they had paid the full amount for one. This will no longer be permitted under the tightened regulations set forth by the Fed.

Higher interest rates paid first. Currently, credit accounts may have different interest rates depending on the types of purchases you make. For example, ATM withdrawals or cash advances usually have higher interest rates than regular purchases. Under the existing regulations, credit card payments that are above the minimum payment are split evenly between the purchase categories. The new regulations require that payments above the minimum requirement must first go to the balance with the highest interest rate, or be divided proportionally among the balances. This practice allows balances to be paid off more quickly.

With these changes enacted by the Fed, the goal is to stop purposeful mistreatment of consumers by defining and restricting the fine print that most of us do not read, but should.

These rules are made in your favor, as the consumer — but be careful, because they don’t take effect until July 2010. And because of the tightened regulations, we may see increased rates and fees before the changes are implemented. Paying off your credit card debt is still the best way to combat difficult regulations from credit card companies. But by paying attention to the details and having a better understanding of new credit card rules, consumers can more effectively take control of credit card debt.

Information taken from www.federalreserve.gov, www.govtrack.us, www.creditcards.com, and www.consumeraffairs.com. — CF



Being socially responsible in tough times

Did you know that your money, invested through Church of the Brethren Benefit Trust, is making positive changes in important social issues around the world? Through socially responsible investing at BBT, your dollars are helping make strides in areas such as climate change, executive compensation, human rights, and international labor standards.

But what is socially responsible investing? And why should you, an investor, care? Can a denomination as small as the Church of the Brethren make a difference with our money?

In February, Church of the Brethren Benefit Trust staff had the opportunity to meet with Geeta Aiyer, president of Boston Common Asset Management, to ask these questions and others about socially responsible investing. Boston Common is an investment manager committed to socially responsible investing, which makes them a great fit for managing a portion of BBT's assets.

At the meeting with Boston Common, the wider BBT community was invited to learn more about socially responsible investments and some of the important social changes that BBT has helped create through Boston Common.

According to Geeta, socially responsible investing is a way of investing that is consistent with your values. She explained three simple ways to invest in a socially responsible manner.

The first is to avoid investing in industries you disagree with. All of BBT's assets under management are invested in this way, using guidelines created from Annual Conference decisions.

The second way to invest responsibly is to ask companies that are already in your investment portfolio to improve their practices — this is called shareholder advocacy. Shareholder advocacy challenges businesses to explain how they handle issues like human rights, social justice, and sustainability.

BBT has often been at the forefront of shareholder advocacy activities in

conjunction with Boston Common. For example, BBT has been in multi-year dialog with ConocoPhillips encouraging the company to conduct its business consistent with the Declaration on the Rights of Indigenous Peoples that was adopted by the U.N. in 2007. We have also been in conversation with CVS Caremark, Toyota, and IBM, encouraging them to make positive decisions in their business practices.

According to Geeta, the third way an individual can invest in a socially conscious manner is to invest in the kinds of activities you want to see companies pursue for the future. This might include investing in companies whose products and services are part of the solution, as opposed to just not part of the problem. Geeta suggested investing to encourage companies that show leadership in corporate responsibility.

BBT also asked about the rate of return with regard to socially responsible investing. How does it compare to average rates of investment returns or national benchmarks?

Geeta addressed a widely held belief — that if you invest for the common good you couldn't



Nevin Duldaur

possibly have competitive returns at the same time. She explained that there is no noticeable difference in return potential when investing in a socially responsible manner. She said, "My view is that since you can invest with your values and have diversification and good returns, shouldn't we all want to be socially responsible investors?" She pointed out that BBT's investments with Boston Common consistently perform comfortably ahead of market benchmarks.

Geeta also discussed the benefits of investing one's pension in a socially responsible way.

Naturally, pension fund investors are looking for a sense of security, she explained but added, "We are also concerned about the kind of world we want to leave for our children and grandchildren." According to Geeta, the practices of the companies in which we invest have the potential to make a meaningful difference in the world we leave for our children.

Our last question had to do with size. In a small denomination like the Church of the Brethren, can our investing make a difference, we wondered? "Yes, absolutely," she said.

"The voice of the Church of the Brethren and its willingness to stand up for the values that it believes in makes a difference. It becomes the leading voice in shareholder advocacy proposals or a dialog with a company. When that leading voice is in place, the voices of many join with it. We're really privileged to have an activist, willing-to-take-the-lead investor — a socially concerned investor — in Brethren Benefit Trust." — CF



Patrice Nightingale

Geeta Aiyer, president of Boston Common Asset Management, talks with Brethren Benefit Trust about socially responsible investing.

“President’s Message” ... Continued from page 1

In addition to the investment managers and BBT staff, oversight of BBT’s investments is given by an investment management consulting firm and by BBT’s investment committee, which currently includes the vice president of an \$8 billion trust, a bond manager, an attorney, and a financial planner/economist.

Together, the team of BBT’s staff and investment committee is proactively wrestling with the tough issues of today to ensure that all of the investments under BBT’s management are safe.

An additional way that BBT is working to add safety to the mix is by strengthening the organization from within. We will be stronger if we grow participation in our ministries, which we can do in part by adding new services. Thus, we are on the cusp of launching online reporting and account management for Brethren Pension Plan members. We have just launched our online banking portal with Bill Pay for Church of the Brethren Credit Union members. And later this spring, plans call for Brethren Foundation information to go online, so that members of the Foundation can view their accounts, change their allocations, and produce customized reports.

BBT is also moving to twice-monthly valuations, which means that Pension Plan members and Foundation clients will be able to see the up-to-date value of their portfolios after the first and 15th of each month, rather than just at the end of each month.

We are working diligently in this difficult insurance market to strengthen our ancillary insurance products, and to determine if we have a future as

a provider of medical insurance. Thus far, that work is promising.

In March, we changed our phone system, at a cost savings of \$1,000 per month, which also gives us additional functionality to better meet the needs of those we exist to serve. And we are preparing to begin work later this year to revamp our Web presence, so that it can better provide news and information to those who visit www.brethrenbenefittrust.org.

Preparation is underway to launch a campaign to inform BBT members, all Church of the Brethren members, and related denominational employees that there are a number of Credit Union services that could benefit them. For example, in this period of tight credit, Church of the Brethren Credit Union has ample funds to lend to its members; we need to let people know that these funds are available for vehicle and personal loans.

Finally, our staff is hitting the road, meeting with current and prospective members and clients for program interpretation, customer service-related sessions, and one-on-one consultations. As an organization that is trying to help promote strong fiduciary practices throughout the denomination, we are providing on sessions how individuals and congregations can better manage their financial resources.

The goal of all of these initiatives, and others under consideration, is to strengthen the financial well-being of our members, our clients, and of our own organization so that together we can fulfill the missions for which we have been called. — ND

Credit Union

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*Rates are based on credit scores. Rate increases 0.5% if loan is not on automatic payment. Rates current as of March 17, 2009, and subject to change.

“Loans” ... Continued from page 1

CoBCU offers a variety of loans for several different purposes, such as the purchase of new or used cars, motorcycles, boats, or recreational vehicles; for the payment of medical expenses, education, taxes, insurance, travel, appliances, home repairs, or remodeling; and bill consolidation.

Loan terms vary depending on the type of loan. CoBCU uses a risk-based lending rate structure to keep loan rates as competitive as possible. Risk-based lending means that the Credit Union charges different members different loan rates based on their credit histories, in order to provide each member, whether “high risk” or “low risk,” with the best rate possible.

We realize that some people have a higher risk for meeting financial commitments, but using risk-based lending can save some Credit Union members money while helping others re-establish good credit. If a Credit Union member applies for a loan but does not automatically qualify, our staff will work with that person to see if any of our options can still be beneficial. We are here to serve you and to help you as you strive to be a good steward of your financial resources. — CF

Taking happiness seriously — how to improve your outlook on life

For many of us, happiness is an elusive idea. The quest for happiness has become part of our culture. We are told through

advertisements that all we need to do is spend money on the latest or greatest. From the allure of the Lexus or BMW, to the furniture with which we adorn our homes, to the clothing that we wear, happiness is just a



purchase away. Culture teaches us that happiness can be attained through the foods we choose to eat, organic or not, fast food or vegetarian. What about that perfect body? We would only be happy if we were not dissatisfied with our appearances. Culture offers many unsatisfying ways to achieve happiness that often produce the opposite.

From an outside perspective, one could easily come to the conclusion that I am happy, and for the most part that would be true. I am a successful elementary school principal. I have a wonderful family, including my extended family. I attend a church full of people I care about. However, I am now in my early 40s, and I have come to the realization that life must be more than this. I am in a mid-life

crisis. I have run into conflicts that have taken me aback. I have dealt with these conflicts to the best of my ability, but the toll has changed

my emotional state. I am not able to run as far, bike as often, or be as active as I once was. I have come to the realization that I must re-evaluate my definition of happiness.

Recently, I was introduced to Dennis Prager's book, *Happiness is a Serious Problem*. My wife and I have both enjoyed the text and have had many enlightened conversations about its contents.

What have I discovered from this book? I am responsible for my own happiness. No one else is. I must find a course that will help me find inner happiness, and then I am solely responsible for making my world a better place. In these efforts, I may help others find their happiness as well.

I have learned that happiness is not a goal. It is not an attainable thing, but a byproduct of choices that I make. These choices may be a cool car or fashionable clothing, but these will not likely bring long-lasting happiness.

Choices that may lead to happiness could include spending time with those I love, making healthy choices in what to eat, or simply reading a good book. Taking a walk, talking with others about what they enjoy in life, or volunteering at a local organization to help others may help. Focusing on the positive, looking through a positive lens — these are just a few ways to choose lasting happiness.

The reality is that happiness is all of ours, but we must find ways to make it accessible to us. Pride, jealousy, lust, envy, over-eating, greed, and joylessness can steal

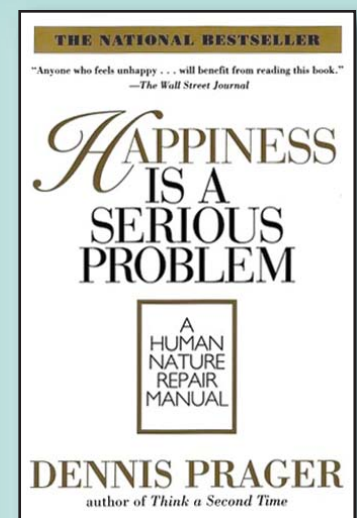
happiness from us. Appreciation, graciousness, humility, thankfulness — each of these will bring happiness to us. I have heard this all of my life through the teaching of my churches. However, I have had to relearn, or at least re-examine, these very basic ideas.

One of the most controversial statements in Prager's text was that *I am responsible to others for my happiness*. If I cannot find happiness within myself, others will not see happiness within me either; therefore, my relationships with others will always be strained, and I will never fully appreciate them. Dennis Prager's book has led me on a quest to understand happiness more fully, and I will likely spend the rest of my life seeking ways to be happier. — Matt Bohrer

Matt Bohrer is a member of the Highland Avenue Church of the Brethren in Elgin, Ill.

Tips for Happiness

- ✓ Take a walk.
- ✓ Make a list of things for which you are grateful. Do this whenever you feel down.
- ✓ Set short-term, reachable goals.
- ✓ Take time for spirituality.
- ✓ Read a book or magazine.
- ✓ Make time for a hobby you enjoy.
- ✓ Spend time with loved ones.
- ✓ Reframe a situation — try to think of it positively instead of negatively.
- ✓ Accept your limitations and move on.
- ✓ Think about solutions instead of problems.
- ✓ Smile.

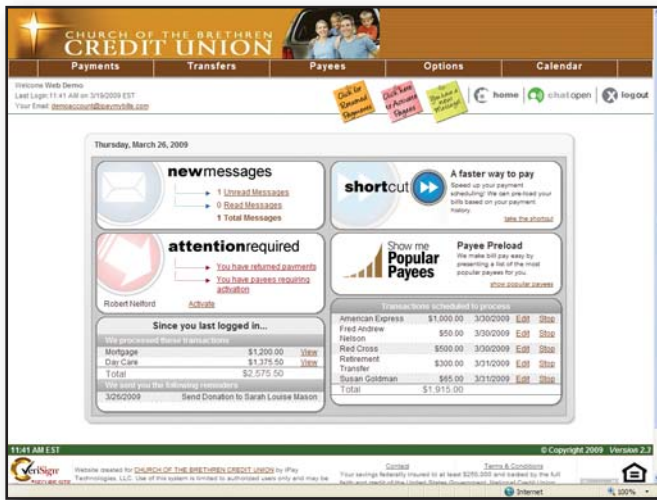


BBT's management team attended a Church Benefits Association meeting last December where Dennis Prager was one of the keynote speakers. His presentation on happiness as a moral responsibility to others was inspirational. Several staff members at BBT have shared this book and these ideas with friends and family members.

CoBCU Online Banking is here!

Church of the Brethren Credit Union is pleased to announce that online banking and Bill Pay are now available! Check your balance, pay your bills, even tithe online! If you are a member of the Credit Union, you are already eligible to use online banking — however, you must have a checking account to use Bill Pay services. To begin using online banking and Bill Pay with CoBCU, log on to www.cobcu.org. With these new services, we hope to be your local Credit Union wherever you are located.

For the Brethren values and great rates you have come to expect from Church of the Brethren Credit Union — now 24 hours a day — simply log in at www.cobcu.org.



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Inside: Auto loans through Church of the Brethren Credit Union can save you money.

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