

BenefitNews

NEWS ABOUT THE MINISTRIES OF BROTHERS BENEFIT TRUST

SECOND QUARTER 2007

Heart, Soul, and Mind

Trauma healing and recovery

Tragic events have a much greater impact than their immediate devastation. The trauma from such events can have deleterious affect on one's well-being for years, and, sometimes, life never does return to "normal." Long-term health is greatly determined by how well individuals cope with trauma, manage stress, and process grief.

The terrorist acts on the World Trade Center, the wanton violence of Virginia Tech, and the horrific shootings at the Amish schoolhouse in Lancaster, as well as the natural disasters of Hurricane Katrina and the devastating tornado at Greensburg, Kan., are all reminders that coping with trauma is an all too common challenge of life.

For the majority of Americans, traumatizing events come at the personal level — an automobile accident, a burglary at home, an assault, or the sudden death of a loved one or colleague. Such events, though they may not make the national news, are no less disruptive.

Trauma is defined as a threat of serious injury or death that overwhelms our ability to respond, and mental health professionals agree that everyone who experiences a traumatic event is touched by it in some way. Having feelings of profound grief or intense anger or being extreme-

ly anxious about one's safety and the safety of one's family is common after a tragedy.

Acknowledging these feelings as normal reactions to an abnormal situation can help begin the process of recovery. For most people, taking the step of talking about these feelings, even though it may be extremely difficult, can also help process the event.

To cope with trauma and promote physical and emotional healing, it is recommended that people conscientiously stay active in their daily lives. People should be careful to eat well, get proper exercise and rest, and take the time to relax, meditate, and pray.

Experts make a distinction between normal reactions to traumatic

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NYT via Redux Pictures

A group of Amish women grieve near the school in 2006 where five Amish school-girls were killed in Nickle Mines, Pa.

Your Money

Your personal financial portfolio and mortgages

June is National Homeownership Month, but for the millions of victims of predatory lending practices facing foreclosure on their homes, that news will not be celebrated. Nor will it be celebrated by many lenders themselves. "Teaser" mortgage rates and interest-only loans have enticed many into purchasing a new home or refinancing an existing home, only to find a few years down the road that their mortgage payments balloon beyond their means, resulting in delinquency on their payments, foreclosure, and even bankruptcy.



Courtesy of nativefish.org

Before purchasing a home, most buyers check everything from insulation levels in the attic to crime rates in the community; buyers should be as discerning when securing a mortgage. The American dream of homeownership is proving to be an equity-robbing nightmare for many who did not fully understand the details of their loans.

Ten years ago, record home sales to mid-income families prompted Alan Greenspan, then chairman of the Federal Reserve

Board, to warn, "While we should applaud the 'democratization' of our credit markets over the years, we must be vigilant to the risks of excess, both by lenders and by consumers."

With news that the housing bubble is bursting all around the U.S., it has become evident that Greenspan's call to be vigilant against excess has not been heeded. Recent numbers by the Mortgage Bankers

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Charitable gift funds give donors flexibility

A flexible way for you to support the charities you desire, when you desire, while receiving all the tax benefits to which you are entitled, is through a charitable gift fund. The Brethren Foundation can help you have more options in your charitable giving by establishing a charitable gift fund for you.

How it works: You donate cash or other assets with a fair market value such as real estate, securities, or mutual fund shares to Brethren Foundation. The Foundation turns your contribution into cash and places the money into a charitable gift fund. Your gift represents an irrevocable contribution to the Foundation and is not refundable to you.

The monies in the fund are then available for distribution to charities you recommend at any time you wish. Although you will not retain legal control over the assets you donate, you are entitled to give nonbinding advice to the Foundation about gifts from the fund up to the amount you donated. You may recommend gifts from the fund at any time, even years after you donated assets to it.

How to recommend a gift: Recommending a gift from the fund is as easy as writing a letter. Once you have made donations, you may recommend the qualified tax-exempt charities to which distributions

should be made.

The Brethren Foundation will make a disbursement from the fund based on your recommendation, after ascertaining the charity's qualifications and that the disbursement complies with legal requirements.

Benefits of a Charitable Gift Fund

- Multiple recipients of one gift
- Flexibility in the gift's time frame
- Opportunity for anonymity
- Avoid tax on capital gains
- Tax deductions
- No administrative duties
- Additional contributions are easy

A letter is mailed with the check explaining the gift, and you receive a copy as confirmation of the disbursement. Gifts can also be anonymous, if you prefer.

What you receive: Because the Brethren Foundation is a public charity, you are eligible for an income tax deduction for a charitable gift, to the extent permitted by law, in the year in which you donate assets to the fund. For gifts of securities or real estate, the tax deduction is based on the

asset's fair market value. When the gift is appreciated securities or real estate, you avoid income tax on capital gains.

The Brethren Foundation takes care of all administrative matters related to the fund and issues regular reports to you. The Foundation collects a modest fee for these services.

Contributions to a charitable gift fund enable you to maximize your charitable deductions in one year without having to designate at that same time which charities you will support. If your income fluctuates from year to year, you can even out your annual charitable giving by using the fund. You get the satisfaction of knowing the charities you recommend will benefit from your generosity at the time of your choosing.

Other considerations: The Brethren Foundation's charitable gift funds are regulated by government policies regarding donor-advised funds. As such, the funds receive favorable benefits over those that are available through private foundations or commercial donor-advised funds. Before making any investment decision, you should always confer with your financial adviser.

For additional information on charitable gift funds, contact Steve Mason, director of the Brethren Foundation, at **888-311-6530**.

Boston Common has a "green" office

Many individuals practice socially responsible consuming in their private lives, but it is not common to see the same commitment in a professional, business environment. Boston Common Asset Management is part of a new generation of companies that is turning the workplace "green" with ideas for the rest of us. "As a socially responsible investment firm, we at Boston Common want to keep our purchasing and all of our activities in our office in line with our mission," said Alexander Jovanovic, portfolio associate, "whether that is reducing our consumption of resources or making sure that all of our purchases are in line with our social criteria." This has meant some changes, starting with the coffee.



Boston Common only purchases organic fair-trade coffee, and to conserve electricity and wastage, coffee is now only brewed one cup at a time. A full-size refrigerator has replaced the small, apartment-size fridge, because, it turns out, the larger is more efficient. Boston Common now buys 100 percent non-bleached recycled paper products for its kitchen area and printer paper that is similarly recycled and acid-free. Paper consumption has been reduced by printing on both sides of paper before it gets recycled. Alex said that, while some organizations have switched to biodegradable dinnerware made from potatoes and corn, Boston Common insists on using the real thing. The sign over the sink, "Do your own dishes," is a reminder to us that being socially responsible takes effort. More information on turning your own workplace "green" can be found at www.thegreenoffice.com. — JW

Annuity Rate Change

On Sept. 1, the Brethren Pension Plan will change the annuity rate on the Plan's Part A accounts from eight to seven percent. Plan members were notified of this change with their second quarter Pension Plan statements to ensure they could annuitize at the eight-percent rate if they qualified, and desired, to do so.

The rate change is a result of the financial markets not achieving the returns required to continue to offer eight percent. Since 2000, BBT's Retirement Benefits Fund — invested approximately 60 percent in equities and 40 percent in bonds — has only returned 3.5 percent. In the past, the markets provided sufficient returns to cover the eight-percent payout rate and even provide an occasional 13th payment at the end of strong years.

BBT took a first step in addressing low market returns in 2003 by splitting the Pension Plan into Part A and B accounts. Since that time, Part A accumulations have been annuitized at eight percent and Part B accumulations at six percent. Lowering the Part A rate to seven percent is another step to ensure the Plan's long-term sustainability.

The rate change does not at all reflect negatively on the overall health of the Plan. The Pension Plan is fully funded with adequate reserves to cover its annuity liabilities. In addition, the Plan continues to grow. It now has 4,180 total members, with 1,300 annuitants, and has reached the \$300 million mark in total assets. Furthermore, as commercial annuity rates are currently below five percent, the Plan continues to provide excellent annuity rates on both parts of the Plan. — JW

"Trauma healing and recovery" Continued from Page 1

events and those that become a full-blown disability. Immediately after a traumatic event, a person may experience physical symptoms like stomach problems, a loss of appetite or sleeplessness, perform poorly at work, be apprehensive of strangers, or fear being alone, but these should pass with time. When these do not subside or when the individual has difficulty concentrating, is debilitated by a sense of guilt, or has feelings of utter hopelessness with extreme mood swings, then it is evident that the person is not managing the stress well and needs professional assistance.



Human-based traumatic events can pull victims into a pernicious cycle of anger, hatred, and retribution. When victims begin to develop good-versus-evil narratives, dehumanize perpetrators of the act, and justify the need for revenge, then there is strong indication that the victims may perpetuate the violence by an aggressive act of retaliation.

America's national response to 9/11 typifies this cycle of violence. Our choice to retaliate evil with evil has resulted in war and bombings and a multitude of traumatic events throughout the world with seemingly no end in sight.

Victims can avoid such a maelstrom and find a path of healing and forgiveness by having access to spiritual resources and following Jesus' call of nonresistance. Our health depends on it. — JW

"mortgages" Continued from Page 1

Association indicate that there has been major excesses in the housing boom, fueled mainly by weakened lending practices. In 2006, many major lenders halted operations, went bankrupt, or sought buyers, while home foreclosures climbed to a 37-year high. Moreover, foreclosures are expected to climb much higher since 20 percent of mortgages from 2003 to 2005 have balloon payments, many of which have not yet kicked in.

Most loan defaults have been on subprime mortgages, defined as a type of lending intended to serve borrowers who have a limited or bad credit history. Rates for subprime loans can be two to four percent higher than prime rates. Nationally, 17 percent of all home loans are subprime loans; a disproportionate of these are to women. One subprime mortgage in eight is ending in foreclosure.

Catchy slogans like "\$200k for only \$667 per month" have enticed people into mortgages they do not understand and cannot afford. According to the Center for Responsible Lending, 80 percent of sub-



prime home loans have adjustable interest rates, many of which are 2/28 hybrid loans that start with low monthly payments for two years and then jump to a high adjustable rate for 28 years. Subprime borrowers typically walk a tightrope from paycheck to paycheck and do not have a cushion of savings to weather the economic storm of a temporary loss of employment, an illness, or an unexpected car or house repair. An unexpected increase in utility costs, property taxes, insurance, etc., puts them at financial risk; a significant jump in their mortgage payment puts them in delinquency. Many subprime mortgages put homeowners in debt-to-income ratios that are over 60 percent, meaning that well over half of the borrower's post-tax income is spent on the mortgage alone.

In the shark-filled environment of predatory lending, extreme vigilance is required by all, especially by those pursuing the American dream of homeownership. Some things that appear to be too good to be true are. Let the borrower beware. — JW

BBT Events at Annual Conference 2007

Brethren Medical Plan

After two years of study, the Annual Conference Brethren Medical Plan Study Committee will recommend important changes to the Brethren Medical Plan for delegates to consider. The following related events are planned —

- Standing Committee will discuss the BMP on Friday, June 29, tentatively scheduled for 1:50 p.m.
- The BMP Study Committee Hearing is on Saturday, June 30, at 9 p.m.
- The Study Committee's report is scheduled for delegates' consideration on Monday, July 2, at 10:50 a.m.
- An insight session with Randy Yoder will follow the delegates' debate on Monday, July 2, at 9 p.m.
- BBT will provide regular BMP updates on www.brethrenbenefittrust.org.

Activities at Conference

BBT will also present or participate in a number of additional Annual Conference activities —

- **Fitness Challenge**

Join approximately 150 Brethren for the annual 5K run/walk on Monday, July 2, at 7 a.m.

- **Passport to Wellness**

Join with other Conference attendees in activities that will encourage you to make healthy choices for your mind, body, and spirit. In addition to the five activities BBT will be sponsoring, 15 other activities will be available. Free t-shirts will be given to those who complete at least eight activities.

- **BBT Booth**

Stop by the BBT booth to join us in various activities: Sign up for the Fitness Challenge; participate in "Passport to Wellness;" or meet with BBT staff to ask about planned giving, your Pension Plan account, or Brethren Insurance Plans. You can also open a new Credit Union account and receive a free gift.

- **BBT's Business Report**

This annual report to Annual Conference delegates is scheduled for Monday, July 2, at 10:25 a.m.

- **Memorial Tribute**

The tribute to honor national church leaders and Pension Plan members and their spouses who passed away during the preceding year is scheduled for Monday, July 2, at 4:10 p.m.

- **Credit Union Open House**

An open house is scheduled for Saturday, June 30, at 2 p.m. in Room 205-A of the Cleveland Convention Center. Come learn about online banking and other new services the Credit Union is developing. Everyone is welcome to attend the open house, which will be followed by the Credit Union's Annual Members Meeting.

Insight Sessions

BBT will be presenting nine insight sessions this year —

- **Navigating the Healthcare system** – Sunday, July 1; 12:30 p.m. Presenter: Dr. Dan Nafziger
- **What's new with the CoBCU and how it can affect you** – Sunday, July 1; 9 p.m. Presenter: Dennis Kingery
- **You can help the rebirth of low-income, inner city neighborhoods** – Monday, July 2; 12:30 p.m. Presenter: Elizabeth Glenshaw
- **What's next for the Brethren Medical Plan** — Monday, July 2, 9 p.m. Presenter: Randy Yoder
- **Digging yourself out of debt by planting sound financial practices** – Monday, July 2; 9 p.m. Presenter: Dennis Kingery
- **Being financially fit... at 50 and beyond** – Tuesday, July 3; 12:30 p.m. Presenters: Wil Nolen, Randy Yoder, Steve Mason, Eric Kabler
- **Are you a faithful investor?** – Tuesday, July 3; 12:30 p.m. Presenters: Nevin Dulabaum and Steven Heim
- **How firm is your church's financial foundation?** – Tuesday, July 3; 9 p.m. Presenter: Steve Mason
- **You are what you buy** – Tuesday, July 3; 9 p.m. Presenter: Dennis Kingery and Steven Heim



Eric Thompson



Eric Thompson



Eric Thompson

BBT screens Top 25 Defense contractors

As part of its socially responsible investment policy, Brethren Benefit Trust each year requests Boston Common Asset Management, one of BBT's investment managers, to compile a list of the U.S. military's top 25 defense contractors, based on the size of contracts awarded by the Department of Defense. As directed by BBT's *Investment Guidelines*, the firms on this list are then automatically screened from BBT's investment portfolios by BBT's investment managers.

Since some of the firms on the list are privately owned and not within BBT's potential investment universe, BBT's Board of Directors voted in April to not invest in the Top 25 defense contractors that are *publicly traded* companies. Tightening this social screen has meant that five privately held companies were dropped from BBT's list and five new names were added. Screening requires that BBT's managers drop the companies from BBT's portfolio and either replace them with another firm in the market sector or allow the portfolio to become less weighted in that market sector.

Many of the names on the list are readily identifiable as part of the American war machine, such as General Dynamics, but some of the names are not immediately associated with the U.S. military, most notably FedEx. FedEx primarily contracts with the Department of Defense to provide airlift cargo services. The U.S. military contracts heavily with commercial carriers — in Gulf War I, according to Boston Common, 27 percent of all cargo was shipped by commercial carriers.

FedEx also provides the military with *White Glove Services* to transport sensitive materials that need to be carefully guarded and tracked

throughout the shipping process. FedEx's inclusion on the list gives evidence to the ubiquitous reach of the U.S. military-industrial complex.

Since BBT believes strongly that it should screen out FedEx from its investments because it is a top Defense contractor, BBT cannot in good conscience patronize FedEx for BBT's regular office needs. BBT will no longer use FedEx as its package-delivery service of choice. — JW



Nevin Duldbaum

Top 25 publically owned Defense contractors

- | | |
|-------------------------------|-----------------------------|
| 1. Lockheed Martin | 14. Health Net |
| 2. Boeing Company | 15. Electronic Data Systems |
| 3. Northrop Grumman | 16. Public Warehousing |
| 4. General Dynamics | 17. Honeywell International |
| 5. Raytheon | 18. Textron |
| 6. Halliburton | 19. Armor Holdings |
| 7. L-3 Communications Holding | 20. URS |
| 8. BAE Systems PLC | 21. Amerisource Bergen |
| 9. United Technologies | 22. Harris |
| 10. Computer Sciences | 23. FedEx |
| 11. Humana | 24. British Petroleum PLC |
| 12. ITT Industries | 25. Exxon Mobil |
| 13. General Electric Company | |

Credit Union

CoBCU is “fundamentally sound” and growing

In order to grow the Church of the Brethren Credit Union and offer competitive rates to its members, the CobCU's Board has developed a three-phase strategic plan. Over the past 18 months, CoBCU has been focusing on the first phase of its plan: developing internal controls, writing new policies for new products, and updating core software systems and infrastructure to be able to manage the growth it anticipates. The second is to develop a full range of financial products and services; the third is to market these to an expanding membership. Before moving into the next step of product development, CoBCU wanted to engage in an external evaluation, intended to complement its regularly performed audits and reviews, to fully assess its internal operations.

CoBCU contracted with the Illinois Credit Union League's compliance attorney to perform a share deposit compliance review and a lending compliance review. Both reviews were positive and were helpful in identifying additional ways to strengthen the Credit Union's operations. Also, the Illinois Department of Financial and Professional Regulations performed its regular exam of CoBCU, required for financial institutions chartered in Illinois, and gave CoBCU a ranking of two out of five, with one being the highest, defining CoBCU as “fundamentally sound with minor weaknesses correctable in the normal course of business.” The Department reported that it was very pleased with the progress the Credit Union has made since its last exam. In addition, the Credit Union had a financial statement audit performed by the external audit firm of Legacy Professionals LLP during the first quarter of 2007. Legacy gave the Credit Union a “clean” opinion. Legacy also reviewed the Credit Union's internal controls and did not recommend any changes.

Given these positive evaluations, the Credit Union is now actively working to develop new products and services, and even though it is only in phase two of its plan, growth is already happening: Members' deposits and CoBCU assets are at all time highs. — Dennis Kingery

Staff Changes at BBT



Donna March has been appointed to serve in a new Brethren Benefit Trust management position, director of Office Operations. In this position, Donna manages general office services, coordinates the office of the president, directs human resource services, and oversees the development of a denominational membership database.

Donna has been an employee of BBT since 1989, serving mainly in the insurance department. She continues to provide part-time leadership in the insurance department as she transitions to her new job.



On May 14, **Cindy Bravos** joined BBT to serve as the organization's Congregational Contact Network coordinator. In this role, Cindy will coordinate BBT's Congregational Contact Network, working to foster stronger relationships among BBT and the denomination's congregations. In addition, Cindy will assist Donna March in the development and maintenance of BBT's denominational database. Cindy will also help shape and create BBT's interpretive resources.

Cindy comes with extensive marketing and promotion experience. She is owner of Bravo! Media, is host of a 30-minute biweekly local television program, and has worked 11 years as a media director for the St. Charles, Ill., Chamber of Commerce. Cindy did the voice narration on *Without Fear or Hesitation*, a CD-ROM of Brethren heritage produced in 2001 by BBT and Brethren Press.

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Inside: Why BBT no longer uses FedEx

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