

Can I write checks on my account or request a withdrawal over the telephone?

No, the Fund does not operate like a checking account and telephone withdrawals are not permitted. All requests for withdrawals must be in writing. Withdrawal requests are processed promptly and a check is mailed to the investor.

What type of loans does the Development Fund make?

The Development Fund loans money for construction, repair and renovation, refinancing and other building and expansion needs. Development Fund loans have helped replace roofs, buy new air conditioning systems, purchase land, buy parsonages, build new churches and more.

Has a church ever failed to repay a loan or has the Fund ever had to foreclose on a church property to gain repayment for a loan?

No church has ever failed to repay the loan in full. Loan applications go through a careful screening process to ensure that the applicant is capable of making the loan payments and is committed to repaying the loan in full. Since inception, the Fund has loaned more than \$100 million to churches and other Conference agencies.

Does the Fund provide unsecured loans, interest-free loans or grants?

As a rule, the Fund does not provide interest-free or unsecured loans. All loans are secured by a first mortgage on land or a building of equal or greater value than the loan. On occasion, however, the Foundation will make small unsecured loans through other funding sources. In addition, the Foundation is developing a separate grant program that will provide grants for emergency assistance.

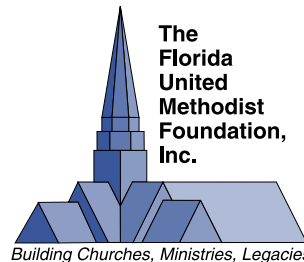
Can I request that my investment be made available as a loan to my church?

No, all money invested in the Fund is pooled. No investor's money is linked to any specific loan.

Does the Foundation accept gifts?

Yes. As a not-for-profit organization with 501(c)(3) status, the Foundation accepts gifts that are tax deductible to the full extent allowed by law. Gifts to the Foundation enhance its ability to serve United Methodist churches and organizations.

This brochure constitutes neither an offer to sell nor a solicitation to buy the securities described. Offers are made only by offering circular, copies of which may be obtained by writing:



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The Development Fund



The Florida United Methodist Foundation, Inc.



The Development Fund

Of the Florida United Methodist Foundation

Since 1976, the Development Fund has been a core ministry of the Florida United Methodist Foundation. It was established to provide a reliable, readily available and affordable source of loan funds to support building and maintenance efforts by churches and Conference agencies. It functions as a building and loan program, providing solid investments for participants and low-cost loans for churches. The Fund has granted loans to one in every three churches in the Florida Annual Conference.

Who can invest in the Fund?

Both churches and individuals may invest in the Development Fund. In fact, any Florida resident may open a participation account with a minimum investment of \$100. However, only churches or Conference agencies may borrow from the Fund.

Who sets the Fund rates?

The interest rate is set by the Foundation Board of Directors, and is subject to review and/or change on a quarterly basis. Loan rates tend to be lower than rates offered by commercial lenders. At the same time, interest rates for investors are typically higher than those offered by banks and other commercial institutions on similar accounts. Current rates are posted on the welcome page of the Foundation's web site, www.fumf.org. A history of Development Fund rates also is available online.

To whom does the Fund loan money, and how are loans approved?

The Fund makes loans to United Methodist churches, agencies and missions of the Florida Conference. The Foundation Board of Directors approves all loans.

How is interest accrued?

Interest is accrued from the time of deposit until the time of withdrawal. Money is available, without penalty, on demand. You may withdraw your investment at any time and receive all interest earned to date. Interest on participation accounts may be paid to investors by check or may be reinvested in the Fund. Earnings are reported quarterly.

Is my investment guaranteed?

The assets of the Fund and the first mortgages of the churches and agencies borrowing from the Fund secure investments. The Fund holds money not yet loaned, as well as cash reserves, in insured accounts. Investments are not FDIC insured.

Is the Fund audited?

Yes. The Fund is audited every year by an independent, outside CPA firm. Copies of the most recent audit are included in the Fund's report to the Florida Annual Conference and are available upon request.

Have investors ever lost money?

No investor has ever lost any part of his or her investment in the Fund. Furthermore, the Fund has always paid the promised interest in full and on time.

Does the value of my investment fluctuate like investments in the stock market?

No, the value of your principal investment is designed to remain constant and earn a set rate of interest. Your investment is not guaranteed by a federal agency or other organization.

Can I receive a higher rate of interest from the Fund by investing a large amount of money or by agreeing not to withdraw my investment for a long period of time?

No, all investors in the Fund, regardless of the amount invested or the length of time the money remains invested, earn the same interest rate. The interest rate is usually as high or higher than similar commercially available rates for demand money, which is money that can be withdrawn at any time without penalty or fee.

Who may invest? Individuals, groups, churches and other organizations are eligible to invest. You do not have to be United Methodist in order to invest, but you must be a Florida resident.

How do I invest? You must first receive and review an offering circular. To obtain one, please contact the Foundation office. Information on how to invest is included in the offering circular.



To learn more about the Development Fund, please contact The Florida United Methodist Foundation, Inc.
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