

Offering Circular

IN U.M. Loan and Savings Ministry, Inc.
(formerly known as Indiana United Methodist Loan Fund, Inc.)
1001 North Western Avenue, Suite D
Marion, Indiana 46952
(765) 664-2327
toll-free (866) 669-2327

\$20,000,000

Certificates of Participation and Savings Accounts

The IN U.M. Loan & Savings Ministry, Inc. (the “**Loan Fund**”) was incorporated in Indiana on August 29, 2000 and has operated since 2003 as the Indiana United Methodist Loan Fund, Inc. The Loan Fund changed its name in April 2009 to emphasize that it provides a savings program for eligible persons as well as a loan program for United Methodist churches in Indiana primarily to make capital improvements. The Loan Fund is offering up to \$20,000,000 in certificates of participation and savings accounts to:

- persons who are members of, contributors to, or participants in the United Methodist Church, and who live in the States of Indiana, Arizona, Illinois, Kentucky, Hawaii and Texas (we may also sell certificates of participation in limited circumstances to residents of Florida and North Carolina),
- persons who are ancestors of, descendants of, or successors in interest to such persons residing in such states, and
- United Methodist churches, agencies or organizational units in Indiana.

The certificates of participation and savings accounts will be general unsecured obligations of the Loan Fund and will be payable solely out of certain revenues and assets of the Loan Fund.

Type of Investment	Minimum Investment	Maturity Date	Interest Rate*	Interest Payments
Certificates of Participation	\$1,000	One year	1.75% (1)	(1) At your option, <ul style="list-style-type: none">• paid quarterly or annually,• paid monthly, if your account is \$10,000 or more• reinvested annually (2) Interest added at maturity (3) Interest added 12 months after issue date and at maturity
		Three years	3.00% (1)	
		Five years	3.15% (1)	
		Three months	1.60% (2)	
		Six months	1.65% (2)	
		Nine months	1.70% (2)	
		Fifteen months	2.00% (3)	
		Eighteen months	2.75% (3)	
IRA Certificates of Participation	\$1,000	Three years	3.00%	Reinvested annually
Savings Accounts	\$25	Payable upon our receipt of written request for withdrawal	Variable, currently 1.50%	Reinvested quarterly
IRA Savings Accounts	\$25	Payable upon our receipt of written request for withdrawal	Variable, currently 1.50%	Reinvested quarterly

*Interest rates are as of the date of this offering circular. The board of directors will periodically adjust interest rates for new Certificates of Participation and for new and existing Savings Accounts.

We estimate the net proceeds of the offering will be \$19,985,000 after paying estimated offering expenses of approximately \$15,000. We will use the net proceeds to make loans to United Methodist churches and agencies of the United Methodist Church or its organizational units in the State of Indiana for purchasing, constructing, expanding and refinancing churches and other facilities, and, in certain circumstances, for financing operating costs. We have paid or will pay from our working capital all expenses relating to this offering and the issuance of certificates of participation and savings accounts.

Your purchases of certificates of participation or a savings account are subject to certain risks, which you should carefully consider before making a decision to purchase. See “Risk Factors” beginning on page 5 of this offering circular.

The date of this offering circular is April 30, 2010.

These securities may either be registered or exempt from registration in the various states or jurisdictions in which they are offered or sold by us. We have filed this offering circular with the securities administrators in such states or jurisdictions that require it for registration or exemption.

These securities are issued pursuant to a claim of exemption from registration under Section 3(a)(4) of the Securities Act of 1933. A registration statement relating to these securities has not been filed with the United States Securities and Exchange Commission.

These securities 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.

In making an investment decision, you must rely on your own examination of the IN U.M. Loan & Savings Ministry, Inc. and the terms of the offering, including the disclosure, merits, and risks involved.

The securities 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 securities is dependent upon our financial condition. Any prospective investor is entitled to review our financial statements, which we will furnish at any time during business hours upon request. The securities are not obligations of, nor guaranteed by, the United Methodist Church, or by any church, conference, institution or agency affiliated with the United Methodist Church.

We have not authorized any person to give any information or to make any representation in connection with this offering other than those contained in this offering circular, and if such information or representation is given or made, you should not rely on it as having been made by the IN U.M. Loan & Savings Ministry, Inc.

You are encouraged to consider the concept of investment diversification when determining the amount of the securities described in this Offering Circular that would be appropriate for you in relation to your overall investment portfolio and personal financial needs.

Indiana Residents: These are speculative securities.

The Indiana Securities Division has not in any way passed upon the merits or qualifications of, or recommended or given approval to the Securities offered, or passed upon the accuracy or adequacy of this offering circular.

Florida Residents:

Any sale made in Florida is voidable by the purchaser in such sale either within three (3) days after the first tender of consideration is made by such purchaser to the issuer, an agent of the issuer or an escrow agent, or within three (3) days after the availability of the foregoing privilege is communicated to such purchaser through the delivery of this Offering Circular, whichever occurs later.

TABLE OF CONTENTS

INTRODUCTION	1
SUMMARY	2
RISK FACTORS	5
HISTORY AND OPERATIONS OF THE LOAN FUND.....	7
USE OF PROCEEDS	8
DESCRIPTION OF THE BUSINESS OF THE LOAN FUND.....	9
SELECTED FINANCIAL DATA	14
MANAGEMENT’S DISCUSSION AND ANALYSIS	15
DESCRIPTION OF THE CERTIFICATES OF PARTICIPATION AND SAVINGS ACCOUNTS	17
TAX MATTERS.....	20
MANAGEMENT.....	21
LITIGATION AND OTHER INFORMATION.....	22
PLAN OF DISTRIBUTION	22
METHOD OF OFFERING AND WITHDRAWAL OF SUBSCRIPTION.....	23
LEGAL MATTERS.....	23
EXPERTS	24
ADDITIONAL INFORMATION.....	24
<u>EXHIBIT A</u>	
FINANCIAL STATEMENTS	F-1

INTRODUCTION

The Certificates of Participation and Savings Accounts are being offered by the IN U.M. Loan & Savings Ministry, Inc., (formerly the Indiana United Methodist Loan Fund, Inc. and North Indiana United Methodist Loan Fund, Inc.), which we sometimes refer to in this offering circular as “the Loan Fund,” “we” or “us.”

Investment in the Certificates of Participation and Savings Accounts involves risks. See “Risk Factors” beginning on page 5 for risks you should consider before making a decision to invest in the Certificates of Participation and Savings Accounts we are offering. Among other things, you should consider that:

- We are under no obligation to repurchase Certificates of Participation once sold and, other than as set forth in this offering circular, we do not intend to make any repurchases.
- Our competitors have substantially greater capital and more experienced management than we have.

We have not authorized any person to give any information or to make any representations to you, other than those contained in this offering circular. If such information or representations are given or made, you should not rely upon such statements as having been authorized by us.

This offering circular is not an offer or a solicitation of an offer to sell to any person in any state or other political jurisdiction in which such an offer or solicitation may not be lawfully made. This offering circular is not an offering by a broker-dealer in any state in which the broker-dealer is not qualified to act as a broker or dealer.

SUMMARY

The Loan Fund

The IN U.M. Loan & Savings Ministry, Inc. (the “**Loan Fund**”), an Indiana nonprofit corporation, is an affiliate of the North Indiana United Methodist Foundation, Inc. (the “**Foundation**”). The Loan Fund was incorporated in the State of Indiana on August 29, 2000, as the North Indiana United Methodist Loan Fund, Inc., and commenced operations in the last quarter of 2001. In January 2003, the Loan Fund changed its name to the Indiana United Methodist Loan Fund, Inc., and in April 2009, the Loan Fund changed its name to the IN U.M. Loan & Savings Ministry, Inc. The Loan Fund’s principal executive offices are located at 1001 North Western Avenue, Suite D, Marion, Indiana 46952, and our telephone number is (765) 664-2327.

The Foundation created the Loan Fund to promote the growth and development of the United Methodist Church by making first or second mortgage loans to United Methodist churches and agencies of the United Methodist Church or its organizational units in the State of Indiana for purchasing, constructing, expanding and refinancing churches, parsonages and other facilities, and, in certain circumstances, for financing operating costs. The Loan Fund is financed through donations by the Foundation and through the proceeds of this offering. See “History and Operations of the Loan Fund.”

Offering

The Loan Fund is offering up to \$20,000,000 in certificates of participation (“**Certificates of Participation**”) and savings accounts (“**Savings Accounts**”) to raise funds which it will use to make loans to borrowers for capital projects. The Federal Deposit Insurance Corporation does not insure our Certificates of Participation and Savings Accounts.

- Certificates of Participation (other than IRA Certificates of Participation) have maturities of one, three or five years, or three, six, nine, fifteen or eighteen months, at your election. The interest rate is fixed for the term of the Certificate. Our board of directors periodically adjusts the interest rates offered on new Certificates of Participation.
- At your option, we will pay interest on Certificates of Participation with maturities of one, three or five years either quarterly or annually, or you may elect to have interest reinvested annually. For Certificates of Participation with maturities of three, six or nine months, we will pay interest at maturity, and for Certificates of Participation with maturities of fifteen or eighteen months, we will pay interest twelve months after issuance and at maturity. If you invest more than \$10,000 in a one-, three- or five-year Certificate of Participation, you may elect to have interest paid on a monthly basis.
- We issue IRA Certificates of Participation with maturities of three years only. Interest is reinvested annually. Investors may have the option of requesting periodic distributions as provided by the Internal Revenue Code and regulations.
- Savings Accounts and IRA Savings Accounts are payable upon our receipt of a written request for withdrawal. The interest rate is variable. Our board of directors periodically adjusts the interest rates offered on new and existing deposits to Savings Accounts. Interest is reinvested quarterly. Investors may have the option of requesting periodic distributions from IRA Savings Accounts as provided by the Internal Revenue Code and regulations.

Purchases of Certificates of Participation and Savings Accounts are restricted to (1) persons who are members of, contributors to or participants in the United Methodist Church, and who live in the States of Indiana, Arizona, Illinois, Kentucky, Hawaii and Texas, (2) persons who are ancestors of, descendants of or successors in interest to such persons residing in such states and (3) United Methodist churches and agencies or organizational units of the United Methodist Church in Indiana. We may also sell Certificates of Participation in limited circumstances to residents of Florida and North Carolina who are members of, contributors to or participants in the United Methodist Church, and to their ancestors, descendants or successors in interest who also reside in those states.

We issue IRA Certificates of Participation and IRA Savings Accounts only to custodians for individual retirement accounts set up by eligible Investors pursuant to Section 408 of the Internal Revenue Code. If you request, and we allow, an early withdrawal of all or a portion of an IRA Certificate of Participation prior to the Certificate's maturity date, you will not incur a penalty if the withdrawal is a "normal" distribution under applicable IRS rules. You will incur a penalty, however, for an early withdrawal from an IRA Certificate of Participation that is not a "normal" distribution. See "Description of the Certificates of Participation and Savings Accounts."

Risk Factors

The purchase of Certificates of Participation and Savings Accounts is subject to risks. You should carefully consider the risk factors set forth in the "Risk Factors" section beginning on page 5.

Use of Proceeds

We will add the proceeds from this offering to our general funds and will primarily use them to make first and second mortgage loans to United Methodist churches and agencies and organizational units to finance capital improvement projects, or, in certain circumstances, to finance operating costs. We expect to invest a portion of the proceeds of the offering in marketable interest-bearing securities pending their use for our activities or in furtherance of our policy of maintaining a reasonable degree of liquidity. We will make all investments according to the judgment of the board of directors. No underwriters or broker-dealers are participating in this offering, and we will not pay any discounts or commissions in connection with the sale of the Certificates of Participation and Savings Accounts. See "Use of Proceeds" and "Plan of Distribution."

Management

We are administered by our board of directors in accordance with the policies and procedures established in our articles of incorporation and by-laws or otherwise adopted by the board. According to our by-laws our board of directors will have up to nine members. Our board currently operates with seven members while we seek to fill the remaining vacancies. Each director is elected by the board of directors of the Foundation. Two members of our board of directors are members of the Foundation board of directors. In addition, the Executive Director of the Foundation (or his or her designee) serves as an ex officio (non-voting) member of our board of directors.

The officers are in charge of the day-to-day operations of the Loan Fund and are the individuals primarily responsible for the offering of Certificates of Participation and Savings Accounts and the administration of our loan portfolio. Our officers, whose terms expire in 2010, are as follows:

Name	Office
Thomas Heck	President
Dennis Alstott	Vice President
Donald Lee Spence	Secretary and Treasurer
Manet Shettle	Executive Secretary

See "Management."

Business Activities of the Loan Fund

Our only business activities are offering and selling Certificates of Participation and Savings Accounts to investors and lending the net proceeds to eligible borrowers for capital improvement projects. Each loan we make is secured by a first or second mortgage on the property of the borrower. We charge interest at a rate greater than we pay to our investors, and we use the differential to pay our operating expenses. Any excess is added to our unrestricted net assets. See "Description of the Business of the Loan Fund."

Purchase of the Certificates of Participation and Savings Accounts

To purchase a Certificate of Participation or open a Savings Account, you should complete the appropriate application, which accompanies this offering circular, and mail the completed application along with a check to the Loan Fund at the following address:

IN U.M. Loan & Savings Ministry, Inc.
1001 North Western Avenue, Suite D
Marion, Indiana 46952
Attn: Manet Shettle

See "Method of Offering and Withdrawal of Subscription."

Selected Financial Data

The tables below set forth certain selected financial data with respect to our statements of financial position as of December 31, 2009 and our statements of activities for the fiscal year ended December 31, 2009. Management has compiled this data from our audited financial statements, and it should be read in conjunction with our current audited financial statements, which are found beginning on page F-1 of this offering circular.

Summary Balance Sheet Information at December 31, 2009

Cash and cash equivalents	\$ 1,675,720
Readily marketable securities	\$ 2,158,849
Total loans receivable	\$ 16,580,771
Unsecured loans receivable	None
Loan delinquencies (90 days or more) as a percent of loans receivable	None
Total assets	\$ 20,497,031
Total Savings Accounts and Certificates of Participation payable	\$ 20,172,612
Amount of Savings Accounts and Certificates of Participation redeemed during the fiscal year	\$ 5,610,546
Other long-term debt	\$ 0
Net assets	\$ 59,405
Change in net assets	\$ 154,701

Summary Statement of Activities for the Year Ended December 31, 2009

Total interest income	\$ 1,085,993
Total interest expense	\$ 746,600
Total operating expenses	\$ 239,630
Other income (excluding gain on investments)	\$ 30,475
Unrealized gain or (loss) on investments	\$ 24,463
Capital contribution	\$ 0
Excess or (deficit) of operating revenue over expenses	\$ 154,701

RISK FACTORS

The Certificates of Participation and Savings Accounts are unsecured general obligations of the Loan Fund. You will be dependent solely upon the financial condition and operations of the Loan Fund for repayment of principal and interest. We are a legal entity separate from the Foundation and the United Methodist Church. Those entities have no obligations with respect to repayment of the Certificates of Participation and Savings Accounts. You will have a claim on the assets of the Loan Fund equal to the claims of all other holders of Certificates of Participation and Savings Accounts that may be issued in the future, and to the claims of all of our unsecured creditors. See “History And Operations Of The Loan Fund.”

No sinking fund or trust indenture has been or will be established to ensure or secure the repayment of Certificates of Participation or Savings Accounts. Because we have not established a sinking fund or trust indenture for repayment, you will be dependent solely upon the financial condition and operations of the Loan Fund for repayment of principal and interest. See “Description Of The Certificates Of Participation And Savings Accounts.”

The Loan Fund has experienced operating losses, which may affect its ability to repay Certificates of Participation and Savings Accounts when due. We began operations in the last quarter of 2001 and incurred operating losses through our initial start-up period, which we believe lasted through approximately mid-2006. Through December 31, 2006, our cumulative operating expenses exceeded our cumulative operating revenues by approximately (\$239,000). Since the fourth quarter of 2006, however, our operating revenues have exceeded operating expenses during each fiscal quarter. Our annual operating revenues exceeded annual operating expenses by \$154,701 in 2009, \$53,260 in 2008 and \$40,178 in 2007. In addition, the Foundation made a capital contribution of \$50,000 to us during 2008. These factors have allowed us to eliminate our cumulative operating deficit and, as of December 31, 2009, we had positive net assets of \$59,405. The continued development of the Loan Fund will depend, among other things, on our ability to attract and retain investors and to achieve a sufficient margin between the interest rates paid to investors and the interest rates earned on loans to borrowers. We believe we maintain sufficient liquid resources, investment assets and a line of credit to meet our obligations when due. However, if we are unable to continue to generate a profit and maintain positive net assets, we may not be able to repay principal and interest on the Certificates of Participation and Savings Accounts when due. See “Management’s Discussion and Analysis.”

The Certificates of Participation and Savings Accounts are subordinate in ranking and priority in relation to the Loan Fund’s existing and future senior secured indebtedness. As of December 31, 2009, we had no secured investment obligations or other secured liabilities, other than a revolving line of credit secured by investments held by the Loan Fund having maturities of one year to five years. The Certificates of Participation and Savings Accounts will be subordinate to amounts due, if any, under the line of credit. As of December 31, 2009, we had no outstanding borrowings under the line of credit. See “Description Of The Certificates Of Participation And Savings Accounts.”

Because no public market exists for the Certificates of Participation and Savings Accounts and none will develop, your ability to transfer your investment will be limited and restricted. The Certificates of Participation and Savings Accounts are only transferable, with our consent, to (1) persons who are members of, contributors to or participants in the United Methodist Church, and who live in Indiana, Arizona, Illinois, Kentucky, Hawaii and Texas (and, in limited circumstances, Certificates of Participation may be transferred to such persons who are residents of Florida and North Carolina), (2) persons who are ancestors of, descendants of, or successors in interest to such persons residing in such states, and (3) United Methodist churches and agencies or organizational units of the United Methodist Church in Indiana. We may withhold our consent to a proposed transfer if we conclude that the transfer would violate applicable state or federal securities laws. Because of these restrictions, you may not be able to resell any securities purchased. While you may request repayment of a Savings Account at any time, there are restrictions on repayment of the Certificates of Participation. You should only purchase a Certificate of Participation if you are able to hold the investment for its full term. See “Description Of The Certificates Of Participation And Savings Accounts.”

The Loan Fund's loans are made to affiliated churches and related religious organizations whose ability to repay the loans depends primarily upon the contributions that they receive from their members. Almost all of our loans will be made to local United Methodist churches. The ability of the churches to repay their loans will largely depend upon the contributions they receive from their members. To the extent that a church experiences a reduction in contributions, it may experience difficulty in repaying a loan. Where we deem necessary, we may require a loan to be guaranteed by another organizational unit of the United Methodist Church, such as an annual conference, agency of an annual conference, or a district or church extension society or union. In many instances, however, these guarantors also depend upon contributions as a primary source of their revenues. If borrowers are unable to make payments on their loans, we may not have sufficient sources of cash to repay principal and interest on the Certificates of Participation and Savings Accounts when due. See "Description Of The Business Of The Loan Fund -- Lending Activities of the Loan Fund."

Because the Loan Fund's lending activities are concentrated in Indiana, deterioration in economic conditions in Indiana could affect the ability of borrowers to repay their loans, which would adversely affect the Loan Fund's financial condition. The borrowers will be United Methodist Churches and agencies of the United Methodist Church or its organizational units in the State of Indiana. Periods of economic slowdown or recession, whether general, regional or industry-related, may increase the probability that borrowers will default on their loans, especially if there is an adverse change in the economic climate in the State of Indiana. If delinquency rates are high, we may not have sufficient sources of cash to repay principal and interest on the Certificates of Participation and Savings Accounts when due. See "Description Of The Business Of The Loan Fund -- Lending Activities of the Loan Fund."

If the Loan Fund's competition offers higher interest rates, the Loan Fund may be unable to retain deposits or repay investors upon request. Interest rates on various commercial and money market instruments fluctuate and may sometimes be higher than the rates we pay. If commercial interest rates become significantly higher than those we pay, our investors, including those who may view their investments as a form of stewardship with the United Methodist Church, may seek to withdraw their investments with us and reinvest those funds with our commercial competitors. If that occurs and withdrawal requests increase in a material amount, we may be unable to repay outstanding investment obligations immediately upon request. Our Savings Accounts are payable upon written request by an investor, and our Certificates of Participation mature on a periodic basis (in one, three or five years, or in three, six, nine, fifteen or eighteen months), but may be withdrawn prior to maturity subject to certain penalties. See "Description Of The Certificates Of Participation And Savings Accounts."

The Loan Fund may not be able to maintain liquid assets sufficient to pay principal and interest on Certificates of Participation and Savings Accounts when due. It is our policy to maintain liquidity in cash and cash equivalents, including federal and corporate bonds with maturities of less than one year, equal to at least 2.0% of the principal balance of our outstanding investment obligations. We maintain additional investments equal to at least 8.0% of our outstanding investment obligations in certificates of deposits maturing in one to five years, and we maintain a revolving line of credit secured by those certificates of deposit. Under the line of credit, we may borrow 70% of the value of the certificates maturing in one to two years and 65% of the value of certificates maturing in more than two years. We believe that this line of credit, together with our cash and cash equivalents, provides us with sufficient liquidity to pay interest and principal due on Certificates of Participation and Savings Accounts. However, we may elect to revise our existing liquidity policy in the future to lessen the amount of our liquid investments. Such a change may adversely affect our ability to pay accrued interest on Certificates of Participation and Savings Accounts or to repay the principal amount of Certificates of Participation and Savings Accounts presented for payment. See "Description Of The Certificates Of Participation And Savings Accounts -- Financial and Operational Activities of the Loan Fund."

The value of the properties securing loans may not exceed the loan amount, which could result in a loss for the Loan Fund. Our loans are secured by first or second mortgages on the properties purchased, constructed, renovated or refinanced with the funds that we lend. In many cases, we will not obtain formal appraisals of the secured properties, although we may, in our discretion, obtain an appraisal or have a member of our staff inspect the property. In addition, in most cases the Loan Committee will request and review data regarding the borrower's plans for the property, construction costs, the value of the property to be used as security, the financial capabilities of the borrower and the borrower's arrangements for repayment. It is possible that the value of a specific property may be less than estimated. While generally it is our policy to

require that the value of property securing a loan exceed the principal amount of the loan, based upon our estimated valuation of the property, it is possible that the loan amount could exceed the value of the property securing it. If we were to foreclose on a property securing a loan, a subsequent purchaser of the foreclosed property may not pay a price equal to or greater than the amount of the loan because the value of the property may be lower than the amount of the loan. In addition, church properties are generally single purpose facilities and thus have a restricted resale market. We may not be able to recover the full unpaid amount of the loan. See "Description Of The Business Of The Loan Fund -- Lending Activities of the Loan Fund."

There are no income tax benefits with respect to investment in the Certificates of Participation and Savings Accounts, and you will have to pay taxes on interest earned. You will not receive a charitable deduction for your investment in a Certificate of Participation or Savings Account. Except for IRA Certificates of Participation and IRA Savings Accounts, the interest paid or payable on the Certificates of Participation and Savings Accounts will be taxed as ordinary income to you whether you receive interest or we, at your direction, retain and compound the interest. See "Tax Matters."

Future changes in federal or state laws may affect our ability to continue to sell the Certificates of Participation and Savings Accounts. We are subject to various federal and state laws in connection with the offering of Certificates of Participation and Savings Accounts. Changes in those laws could make it more difficult or costly for us to offer and sell Certificates of Participation and Savings Accounts in the future. Our inability to sell additional Certificates of Participation and Savings Accounts would adversely affect our ability to generate cash for operations. See "Management's Discussion and Analysis."

Deposits are not FDIC insured. Because we are not a bank or financial institution, the Federal Deposit Insurance Corporation does not insure our Certificates of Participation and Savings Accounts. You will be dependent solely upon the financial condition and operations of the Loan Fund for repayment of principal and interest. See "Summary -- Offering."

Your purchase may have negative tax consequences to you. You should consult your tax advisor regarding tax considerations. If we pay below market interest rates on Certificates of Participation and Savings Accounts, an individual Investor who has, or a husband and wife who together have, invested more than \$250,000 in the aggregate with the Loan Fund may be deemed to receive additional taxable interest under Section 7872 of the Internal Revenue Code. If this applies to you, you should consult your tax advisor regarding the special income tax rules applicable to loans and investments that are greater than \$250,000 in the aggregate. See "Tax Matters."

HISTORY AND OPERATIONS OF THE LOAN FUND

The IN U.M. Loan & Savings Ministry, Inc. is an affiliate of the North Indiana United Methodist Foundation, Inc. We were incorporated in the State of Indiana on August 29, 2000 as the North Indiana United Methodist Loan Fund, Inc. and commenced operations in the last quarter of 2001. In January 2003, we changed our name to the Indiana United Methodist Loan Fund, Inc., and in April 2009, we changed our name to the IN U.M. Loan & Savings Ministry, Inc. Our principal executive offices are located at 1001 North Western Avenue, Suite D, Marion, Indiana 46952, and our telephone number is (765) 664-2327.

The Foundation was formed to promote stewardship among the members of the North Indiana Annual Conference of the United Methodist Church. The Foundation's activities include the administration of funds on behalf of local churches in the Annual Conference and receiving and holding in trust charitable gifts and devises made by donors, testators or trustors.

The Foundation created the Loan Fund to promote the growth and development of the United Methodist Church by making first or second mortgage loans to United Methodist churches and agencies of the United Methodist Church or its organizational units in the State of Indiana for purchasing, constructing, expanding and refinancing churches, parsonages and other facilities, and, in certain circumstances, for financing operating costs.

We are financed through donations by the Foundation and through the proceeds of our sales of Certificates of Participation and Savings Accounts. We offer our Certificates of Participation and Savings Accounts to:

- persons who are members of, contributors to, or participants in the United Methodist Church, and who live in the States of Indiana, Arizona, Illinois, Kentucky, Hawaii and Texas (we may also sell Certificates of Participation in limited circumstances to such persons who are residents of Florida and North Carolina),
- persons who are ancestors of, descendants of, or successors in interest to such persons residing in such states, and
- United Methodist churches, agencies or organizational units in Indiana.

The Certificates of Participation and Savings Accounts are general unsecured obligations of the Loan Fund and are payable solely out of certain revenues and assets of the Loan Fund. The Certificates of Participation and Savings Accounts, which provide general obligation financing for the Loan Fund, are not specifically secured by particular loans to specific borrowers.

We were organized and are operated exclusively for religious purposes. We are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as a religious organization, and no portion of our earnings inures or will inure to the benefit of any person, private shareholder or individual.

We are administered by our board of directors in accordance with the policies and procedures established in our articles of incorporation and by-laws or otherwise adopted by the board. According to our by-laws our board of directors will have up to nine members. Our board currently operates with seven members while we seek to fill the remaining vacancies. Each director is elected by the board of directors of the Foundation. Two members of our board of directors are members of the Foundation board of directors. In addition, the Executive Director of the Foundation (or his or her designee) serves as an ex officio (non-voting) member of our board of directors. See “Management.”

USE OF PROCEEDS

We estimate the net proceeds of the offering will be \$19,985,000 after paying estimated offering expenses of approximately \$15,000, which we have paid or will pay from our working capital. We will use the net proceeds to make first and second mortgage loans to United Methodist churches and agencies of the United Methodist Church or its organizational units in the State of Indiana for purchasing, constructing, expanding and refinancing churches and other facilities, and, in certain circumstances, for financing operating costs. We expect to continuously receive applications from prospective borrowers for mortgage loans, and we will make new loans from time to time in conformity with our loan policies. The proceeds of this offering will not be allocated to any specific loan or loans or for any material loan or loans to a single borrower, and the maximum amount we may lend to any one church will be determined by the board of directors from time to time. See “Description of the Business of the Loan Fund – Lending Activities of the Loan Fund – Loan Policies.”

In the normal course of our operations, we will issue loan commitments based upon the availability of funds.

We expect to invest a portion of the proceeds of the offering in marketable interest-bearing securities pending their use for our activities or in furtherance of our policy of maintaining a reasonable degree of liquidity. We will make all investments according to the judgment of the board of directors.

No underwriters or broker-dealers are participating in this offering, and we will not pay any discounts or commissions in connection with the sale of the Certificates of Participation and Savings Accounts. We will sell the Certificates of Participation and Savings Accounts solely through certain officers and employees of the Loan Fund.

DESCRIPTION OF THE BUSINESS OF THE LOAN FUND

Financial and Operational Activities of the Loan Fund

Our main sources of cash inflows are the proceeds from the sales of Certificates of Participation and Savings Accounts and payments of interest and principal received on mortgage loans made to borrowers. In addition, we receive income on investments. Each of these sources of funds is described below. We also incur certain expenses in an amount we consider immaterial that are unrelated to the sale of Certificates of Participation. Our ability to repay principal and interest on outstanding deposits depends upon our financial condition and the funds available to us. In prior years, we have been able to meet principal and interest requirements on our outstanding deposits from our available funds.

All of our assets are unrestricted and may be used to make mortgage loans to borrowers for projects, subject to the liquidity and capital maintenance policies established by the board of directors from time to time. See "Lending Activities of the Loan Fund."

Certificates of Participation and Savings Accounts Payable. Our primary means of generating funds for lending activities is through the sale of our Certificates of Participation and Savings Accounts. The following chart sets forth the types of deposit obligations that have been sold and incurred as of December 31, 2009:

Description	Balance December 31, 2009
<i>Deposit Obligations:</i>	
Savings Accounts	\$1,530,496
Certificates of Participation, 1 year	3,392,547
Certificates of Participation, 3 year	2,484,078
Certificates of Participation, 5 year	2,407,868
Certificates of Participation, 3 month	57,971
Certificates of Participation, 6 month	616,401
Certificates of Participation, 9 month	2,539,681
Certificates of Participation, 15 month	735,788
Certificates of Participation, 18 month	6,407,782
Total deposit obligations	20,172,612
<i>Other Obligations:</i>	
Account payable to North Indiana United Methodist Foundation, Inc.	2,099
Other accounts payable	103
Accrued interest payable	262,812
Total other obligations	265,014
Total all obligations	\$20,437,626

Maturities of Deposits Payable. The following table shows the maturities of the Savings Accounts and Certificates of Participation payable for each of the next five years. Savings Accounts do not have maturity dates, and the funds held therein may be withdrawn at any time. We believe that we will be able to pay expected redemptions from repayments of loan principal and interest expected to be received for the same periods.

Year	Maturities
Savings accounts	\$ 1,530,496
2010	\$11,045,895
2011	\$ 5,430,205
2012	\$ 1,081,816
2013	\$ 626,811
2014	\$ 457,390

Sales Proceeds and Redemptions. Annual cash sales proceeds and cash redemptions of our outstanding deposit obligations for each of the last three years are reflected in the following table:

<u>Year</u>	<u>Sales Proceeds</u>	<u>Repayments</u>
2009	\$10,119,860	\$5,610,546
2008	\$6,702,187	\$3,332,678
2007	\$4,574,324	\$2,740,880

Loans Receivable. At December 31, 2009, we held 64 mortgage loans with an aggregate principal balance of \$16,580,771. The interest rates on these loans range from 5.50% to 8.00%.

The following table shows the approximate principal maturities of outstanding mortgage loans receivable, calculated on the basis of regularly scheduled contract payments.

<u>Year</u>	<u>Maturities</u>
2010	\$ 2,712,317
2011	\$ 621,688
2012	\$ 650,109
2013	\$ 702,232
2014	\$ 706,621
2015 and thereafter	\$11,187,804

Loans issued by the Loan Fund may be prepaid without penalty. Accordingly, expected future cash flows may differ from the contractual amounts indicated above.

Our largest loan represented 10.41% of total deposits, or 12.67% of total loans outstanding, at December 31, 2009, and our second largest loan represented 7.44% of total deposits, or 9.05% of total loans outstanding, on that date.

All loans are secured by a first mortgage on real estate, or in some circumstances, security in an investment account, with an estimated value which exceeds the amount of the loan. Generally, we do not loan in excess of 80% of the value of the improved real property or investment account pledged as collateral. In most every case, the collateral pledged is significantly greater than the required minimum.

Income on Investments. In accordance with our policy of maintaining reasonable reserves, we may maintain a portion of our assets in investments consisting primarily of marketable interest bearing securities, which we expect will generate additional income for our operations. Our policy is to maintain assets in an amount deemed sufficient to meet normal interest payments as accrued and to repay principal amounts on our outstanding investment obligations. We will also maintain reserves sufficient to fund outstanding loan commitments. It is the current policy of our board of directors to maintain liquid assets, defined as the aggregate of cash and securities which mature in one year or less, of at least 2.0% of our total principal amount of outstanding investment obligations. We maintain additional investments equal to at least 8.0% of our outstanding investment obligations in certificates of deposits maturing from one to five years, and we maintain a revolving line of credit secured by those certificates of deposit. Under the line of credit, we may borrow 70% of the value of the certificates maturing in one to two years and 65% of the value of certificates maturing in more than two years. We believe that this line of credit, together with our cash and cash equivalents, provides us with sufficient liquidity to pay interest and principal due on Certificates of Participation and Savings Accounts.

Lending Activities of the Loan Fund

Nature and Types of Loans. We make first and second mortgage loans to United Methodist churches and agencies of the United Methodist Church or its organizational units in the State of Indiana for purchasing, constructing, expanding and refinancing churches, parsonages and other facilities, and, in certain circumstances, for financing operating costs.

All loans made by the Loan Fund are interest-bearing loans that are secured by a pledge or mortgage of the property and buildings for which the funds are to be used, or other suitable real estate collateral owned by the borrower. All existing loans are supported by a first mortgage on the collateral, or in some circumstances,

security in an investment account. In special circumstances, we may consider accepting a second mortgage on collateral. In the case of newly formed congregations, each loan will be secured by a first or second mortgage on the church's property and will be guaranteed. In general, the value of the property securing a loan must exceed the principal amount of the loan, based on a valuation of the property by our Loan Committee.

The board of directors determines interest rates by using the current cost of funds plus a percentage margin of at least two percent (2%) for costs associated with administering the Loan Fund. Interest rates on these loans vary as a function of market interest rate conditions at the time of the loan and are subject to adjustment periodically throughout the term of the loan. Generally, we offer loans with an amortization of up to 20 years. We offer loans with interest rates that adjust every one, three, five, ten or fifteen years. Most loans adjust every three or five years. Our board periodically reviews our loan products and may change the products offered.

Loan Committee. We will make loans pursuant to the loan policies and procedures adopted by our board of directors and implemented by a committee appointed by the board (the "**Loan Committee**"). The Loan Committee has five members appointed by our board of directors. It is intended that each member of the Loan Committee will have experience in the lending industry. The Loan Committee will determine whether a loan application will be approved or denied and will consider only applications made in accordance with our loan policies and procedures.

Loan Applications. All prospective borrowers are required to follow specified procedures to authorize their capital projects and the borrowing of funds for such purposes. The required procedures are set forth in the Book of Discipline of the United Methodist Church (the "**Book of Discipline**") and our loan policies and procedures. The Loan Committee will not consider any loan where the prospective borrower has not followed the required procedures.

A prospective borrower must submit a completed loan application form; a project description and purpose; a copy of contracts and commitments that have been entered into at that time; for churches, the appropriate consents of church, annual conference and district boards and agencies, as required by the Book of Discipline, and copies of recent Annual Conference Statistical Reports; documentation of the appropriate governmental approvals; recent financial statements and annual conference audit reports; a description of capital funds drive results, if any such drive was conducted; an environmental audit report of the property to secure the loan, if required by the Loan Committee; organizational documents of the prospective borrower, and any other information, data and materials requested by the Loan Committee.

Loan Policies. The board has adopted policies with respect to making loans to borrowers and may modify these policies at any time. These guidelines were developed after consulting with other similar loan funds with many years experience of lending to church borrowers. In general, the policies limit the maximum amount we may loan to a borrower based on certain factors, including, but not limited to, the cost of the project, the ratio of the debt service to the borrower's annual revenues and maximum loan amounts per giving unit. The costs of the construction, major improvement or purchase, the value of the property to be used to secure the loan and the financial capability of the applicant to repay the loan are some of the factors the Loan Committee will consider in approving and denying loan applications. Prospective loans meeting all guideline tests may be approved by the Loan Committee. Prospective loans that do not meet any guideline test may be recommended by the Loan Committee and considered by the board of directors.

Borrowers may be required to make certain covenants, such as agreeing to provide cash flow projections over the life of the loan, agreeing not to assume any additional debt during the term of the loan without our consent, and agreeing to pay certain fees and costs related to the loan.

The Loan Committee may approve loans to newly formed congregations that do not comply with its standard loan guidelines. However, all such loans will be secured by a first or second mortgage on the church's property and will be guaranteed.

Loan Repayment. The board of directors has established policies governing the repayment of loans, which it may modify from time to time. Currently these policies provide for a borrower to repay its loan by making monthly payments, which are applied first to fees, second to accrued interest, and third to outstanding principal. During the construction phase of a project, borrowers are required to pay interest only. Our loan policies do not

include prepayments penalties; however, any partial prepayment of principal does not relieve a borrower of its obligation to make subsequent monthly payments as scheduled. We charge a late fee on loan payments received ten days after the due date.

Material Loans to a Single Borrower. To manage the risk of making loans, generally loans to a single borrower are limited in size to 18% of total deposits. However, the board of directors may elect to grant a special exception in unusual circumstances. To date, we have not made any loans in excess of 18% of deposits at the time of granting the loan. Our largest loan represented 10.41% of total deposits, or 12.67% of total loans outstanding, at December 31, 2009, and our second largest loan represented 7.44% of total deposits, or 9.05% of total loans outstanding, on that date.

Loan Delinquencies. The following table shows the number, past due amount, and principal balance of loans that have been delinquent for 90 days or more as of December 31 of the following years:

Year	Number of Loans	Past Due Amount	Principal Balance
2009	None	None	None
2008	None	None	None
2007	None	None	None

We have not written off any loans since the Loan Fund’s inception but due to current economic circumstances and the inherent risk of lending, we have begun to build an allowance for possible loan losses. It is the policy of the Loan Fund to aid its borrowers to meet their debt repayments without foreclosures. Such efforts could include, but are not limited to, providing consultation regarding fund-raising, financial management, and church growth, and working with the governing body of the borrower to re-set the terms of repayment. Accordingly, our delinquency experience is not comparable to that of a commercial lender. We may not be able or willing to continue such policies. To date, we have only one loan that has required slight loan modification due to the economic downturn.

Investing Activities of the Loan Fund

We maintain a portion of our assets in investments in accordance with our policy of maintaining reasonable liquidity to meet investor withdrawal requests. It is our policy to maintain liquidity in a minimum amount of 10% of the Loan Fund’s outstanding deposit obligations. That is, no more than 90% of deposits may be used to make loans to borrowers. This required 10% reserve is allocated 20% to cash and cash equivalents, including federal and corporate bonds with maturities of less than one year. The remaining 80% of this reserve is invested in insured certificates of deposit maturing in one to five years. Our investment policy describes the types of securities in which our liquidity reserve may be invested and the authority of our staff to buy and sell securities on our behalf. We also maintain a revolving line of credit secured by the certificates of deposit that we hold as investments.

Additional reserves held for the purpose of making loans are invested in money market accounts until disbursed in making loans.

As of December 31, 2009, our investments consisted solely of the following cash equivalents and readily marketable securities:

Description	Weighted Average Rate of Return	Market Value	Percent of Total Invested Funds
Money Market Accounts	0.07%	\$ 1,647,197	43.3%
Certificates of Deposit	2.81%	\$ 2,158,849	56.7%
Total	2.64%	\$ 3,806,046	100.0%

These investments, together with cash on hand of \$28,523 at December 31, 2009, represented 19.0% of our deposit obligations as of that date. See “Management’s Discussion and Analysis - Liquidity.”

We adopted a Statement of Investment Policy in February, 2002. That policy provides all necessary guidelines regarding permitted investments by the Loan Fund. Allowable investment assets for the Loan Fund are listed below:

Cash Equivalents-

- U. S. Treasury bills
- Money market funds
- Short-term investment funds
- Commercial paper
- Banker's acceptances
- Repurchase agreements
- Certificates of deposit

Fixed Income Securities (Maximum Maturity 10 Years, Preferred Target Average Five Years)-

- US Government Securities
- Corporate notes and bonds (AA or AAA rated only)
- Certificates of deposit

Prohibited Assets-

- Equity securities
- Commodities and futures contracts
- Private placements
- Limited partnerships
- Venture capital investments

Prohibited Transactions-

- Short selling
- Margin transactions

All investments currently held by the Loan Fund comply with adopted investment policies.

The following table shows net realized and unrealized gains (losses) on our invested funds for the last three years:

Year	Realized Gains (Losses)	Unrealized Gains (Losses)	Aggregate Gains (Losses)
2009	-	\$24,463	\$24,463
2008	-	\$19,697	\$19,697
2007	\$(2,961)	\$11,796	\$ 8,835

All unrealized gains and losses result from changes in market value of publicly traded certificates of deposit held (because of changing market interest rates). We normally expect to hold those certificates of deposit to maturity. In such case, the certificates would mature at face value and unrealized gains and losses would not become realized.

Competition

We compete with a wide variety of financial institutions, investment companies and other financial companies that offer products in which investors in our Certificates of Participation and Savings Accounts may choose to invest. For example, many banks, savings associations and credit unions offer certificates of deposit or savings accounts that may be attractive investments for some investors because they have higher interest rates, are insured by the Federal Deposit Insurance Corporation or have other favorable terms. Other investors may be more interested in riskier investments, such as corporate bonds, equity securities and mutual funds. Accordingly, there is a potentially infinite variety of investment opportunities available to prospective investors that may from time to time offer more attractive rates of interest or more security than our Certificates of Participation and Savings Accounts.

However, our Certificates of Participation and Savings Accounts may be distinguishable from the universe of alternative investment vehicles by one of our primary purposes and goals: to make loans solely for purchasing, constructing, expanding and refinancing churches, parsonages and other facilities associated with the United Methodist Church in the State of Indiana. We limit the availability of investment accounts to those persons who are associated with the United Methodist Church. Although investors may reside in any of the states identified in this offering circular, they generally will have some affiliation with a United Methodist Church agency in the State of Indiana. Some potential investors may have affiliations with United Methodist churches or agencies in other states or geographic regions; therefore, we may compete to some extent with other church extension funds affiliated with the United Methodist denomination. While there are several other nationwide religious denominations or organizations that solicit funds for purposes similar to ours, those other denominations or organizations generally limit their solicitations to members of their own denomination or organization. Thus, we do not perceive those groups as being direct competitors of the Loan Fund.

Property

We do not own any real property.

Employees

We employ one part-time employee. In addition, several employees of the Foundation provide services to the Loan Fund, which reimburses the Foundation periodically for the value of those services.

Material Contracts

We are not a party to any material contracts that, if terminated, would materially affect our business.

SELECTED FINANCIAL DATA

The tables below sets forth certain selected financial data with respect to our statements of financial position for the most recent three fiscal years and our statements of activities for the most recent three fiscal years, respectively. Management has compiled this data from our audited financial statements, and it should be read in conjunction with our current audited financial statements, which are included as Exhibit A to this offering circular.

Summary Balance Sheet Information at December 31,

Description	2009	2008	2007
Cash and cash equivalents	\$ 1,675,720	\$ 2,376,757	\$ 2,183,527
Readily marketable securities	\$ 2,158,849	\$ 1,225,386	\$ 975,688
Total loans receivable	\$16,580,771	\$12,191,425	\$ 9,197,233
Unsecured loans receivable	None	None	None
Loan delinquencies (90 days or more) as a percent of loans receivable	None	None	None
Total assets	\$20,497,031	\$15,846,188	\$12,417,827
Total Savings Accounts and Certificates of Participation payable	\$20,172,612	\$15,663,299	\$12,293,790
Amount of Savings Accounts and Certificates of Participation redeemed during the fiscal year	\$ 5,610,546	\$ 3,332,678	\$ 2,740,880
Other long-term debt	\$ -	\$ 50,000	\$ 100,000
Net assets	\$ 59,405	\$ (95,296)	\$ (198,577)
Change in net assets	\$ 154,701	\$ 103,260	\$ 40,178

Summary Statement of Activities for Years Ended December 31,

Description	2009	2008	2007
Total interest income	\$ 1,085,993	\$ 847,763	\$ 749,019
Total interest expense	\$ 746,600	\$ 610,920	\$ 540,033
Total operating expenses	\$ 239,630	\$ 230,046	\$ 197,691
Other income (excluding gain or (loss) on investments)	\$ 30,475	\$ 26,766	\$ 20,048
Unrealized gain or (loss) on investments	\$ 24,463	\$ 19,697	\$ 8,835
Capital contribution	-	\$ 50,000	-
Excess or (deficit) of operating revenue over expenses	\$ 154,701	\$ 53,260	\$ 40,178

MANAGEMENT'S DISCUSSION AND ANALYSIS

We began offering deposit investments to the public in January 2002. From the time the Loan Fund was first envisioned, we realized that in the early years, that is the startup years, we would experience operating losses. Based on the experience of our board members and management team with other start-up enterprises, we anticipated operating losses for approximately the first three years of operations. Thereafter, we anticipated positive operating income.

Our start-up recovery period lasted slightly longer than anticipated, which we attribute primarily to rising interest rates during 2004, 2005 and 2006. For example, the Federal Reserve Board increased the Federal Funds Rate by 4.25% during the period from July 2004 through July 2006, which compelled us to raise interest rates on our deposits during that period. We could not, however, increase the interest rates on our loans until the applicable scheduled rate adjustment date. Because most of our loans have a three-year adjustment period, with the others adjusting every five years, our loans typically do not re-price as quickly as our deposits. Consequently, our interest margin fell during this period below our original expectations, which lengthened the period of time necessary for us to recover our start-up costs.

In late 2006, we saw a definite improvement in the interest rate environment, and we have been profitable since the last quarter of 2006. The deficit incurred during our start-up period was fully recovered during 2009 ending the year with a positive net asset balance.

The following is a summary of our operating income (losses) during each year in the five-year period ended December 31, 2009:

Year	Income (loss) from operations	Unrealized gain (loss) on investments	Total income (loss)
2009	\$130,238	\$ 24,463	\$154,701
2008	\$ 33,563	\$ 19,697	\$ 53,261
2007	\$ 28,382	\$ 11,796	\$ 40,178
2006	\$(29,789)	\$ 4,152	\$(25,637)
2005	\$ 6,747	\$(14,034)	\$(7,287)

Source of Funds for Deposit Redemption. Historically, interest and principal payments on our deposits have been made primarily from the amounts received as principal and interest payments on outstanding loans. We anticipate that we will continue to experience similar results in the future. To date, repayments of loans receivable have been sufficient to fund redemptions of deposit accounts.

Capital Adequacy. We maintain sufficient liquid resources, investment assets, and a line of credit to provide funds necessary to pay anticipated interest and redemptions to depositors.

Liquidity. We maintain operating liquidity to provide for cash requirements for the next twelve months as well as a reserve liquidity in a minimum amount of 10% of the outstanding deposit obligations. At December 31, 2009, cash, cash equivalents and readily marketable assets had a market value equal to 18.8% of the outstanding deposit obligations, as shown in the following chart.

Description	At December 31, 2009
Cash	\$ 28,523
Cash equivalents	1,647,197
Marketable securities	2,158,849
Subtotal	<u>3,834,569</u>
Line of credit	1,614,250
Total liquidity	<u><u>5,448,819</u></u>
Total deposits	\$20,172,612
Cash assets (excluding line of credit) as a percent of deposits	19.0%
Total liquid assets (including line of credit) as a percent of deposits	27.0%

In early 2009, we established a revolving line of credit through a larger United Methodist foundation which is secured by the Loan Fund's book of loans. Under this line of credit, we may borrow up to \$2.5 million. As of the date of this Offering Circular, we have not accessed this line of credit.

Cash Flow. The amount of available cash from principal repayments from our loan portfolio historically has met the demand for redemption of Certificates of Participation. Generally, withdrawal activity from Savings Accounts has historically been funded from deposits to these same type accounts. The following chart shows our cash flow during each year in the three-year period ended December 31, 2008.

	2009	As of December 31, 2008	2007
Available cash			
Cash provided by operations	\$ 87,996	\$ 97,922	\$ 65,433
Liquid assets at beginning of year-			
Cash	6,720	20,755	147,342
Cash equivalents	2,370,038	2,162,773	476,258
Readily marketable securities	1,210,000	980,000	816,852
Loan principal repayments received	1,232,337	1,502,143	912,506
Less: Loan disbursements	(5,621,683)	(4,496,345)	(1,098,026)
Sale of notes (additional deposits)	<u>10,119,860</u>	<u>6,702,187</u>	<u>4,574,324</u>
Total Available Cash	<u><u>\$ 9,405,268</u></u>	<u><u>\$ 6,969,435</u></u>	<u><u>\$ 5,894,689</u></u>
Redemptions			
Cash redemption of notes during the fiscal year	<u>\$ 5,610,546</u>	<u>\$ 3,332,678</u>	<u>\$ 2,740,880</u>
Ratio of available cash to redemptions	<u>167.63%</u>	<u>209.12%</u>	<u>215.07%</u>

Loan Delinquencies. At December 31, 2009, we had no loans receivable with payments over 90 days past due.

Profitability. We strive to manage our operations to provide interest income sufficient to fund our interest expense on our deposit obligations and our operating expenses. Due to rising interest rates in late 2004 through mid-2006, our start-up recovery period lasted slightly longer than we originally anticipated and we incurred operating losses during that period. Beginning in the last quarter of 2006, however, we have posted a profit in each quarter, which we believe indicates that we have moved beyond the initial start-up period of our operations. During 2009 the start-up deficit incurred was fully recovered.

Future Plans and Activities. We have adopted, and expect to maintain, policies and procedures that are intended to allow us to adjust readily to fluctuating economic conditions.

These policies and procedures are intended to maintain a balance between our short-term and long-term invested funds so as to achieve a reasonable and prudent position of liquidity. These policies are also intended to allow us greater flexibility in times of significant inflation and fluctuating interest rates. We will also continue to strive to match the average maturity of our deposit obligations with the average maturity of our loans receivable. You should note, however, that changes in federal or state laws could make it more difficult or costly for us to offer and sell Certificates of Participation and Savings Accounts in the future which would adversely affect our ability to generate cash for operations and maintain liquidity.

Although we anticipate operating under the above policies and guidelines, we cannot assure you that all these policies and guidelines will continue as stated. We may need to adopt new policies and guidelines or modify or eliminate existing policies and guidelines to maintain our flexibility to operate within ever changing economic conditions, maintain our financial stability and continue serving the needs of our depositors and the United Methodist churches and agencies in Indiana.

Forward-looking Statements. This discussion contains forward-looking statements which state management's expectations and projections for future results. We cannot assure you that the predicted outcome will occur. Various factors will affect whether we will be able to achieve the projected results. Some of these factors are discussed in the "Risk Factors" section beginning on page 5 of this offering circular.

DESCRIPTION OF THE CERTIFICATES OF PARTICIPATION AND SAVINGS ACCOUNTS

Certificates of Participation

You may purchase a Certificate of Participation with a minimum investment of \$1,000, which will represent participation in a master certificate.

A Certificate of Participation represents a general unsecured deposit with the Loan Fund that matures in one, three or five years, or in three, six, nine, fifteen or eighteen months from the date of issue, as elected by you at the time of deposit. At least 30 days before the maturity date of a Certificate of Participation, we will send you written notice of the pending maturity of your Certificate of Participation and, if not previously sent to you, the most current version of this offering circular. You may elect to receive payment in full or, subject to our continued offering, to reinvest principal and any accrued interest (if you have previously elected to reinvest interest on your Certificates of Participation) for another term equal in length to the term of the maturing Certificate. We will pay interest on the renewed Certificate of Participation at the applicable rate then in effect for the renewal term. If you notify us in writing on or prior to the maturity date that you elect not to extend or renew the Certificate, we will promptly repay to you upon maturity the principal and interest accrued thereon.

From time to time, the board of directors will determine the interest rate offered on new Certificates of Participation. The interest rate will be based in part on changes in broader interest rates and changes in the financial markets. The interest rate for a particular Certificate of Participation will be fixed for the term of the Certificate at the applicable rate being offered at the time the Certificate of Participation is purchased. Our board will periodically evaluate the interest rates paid by financial institutions to determine competitive rates to

depositors and change the rate paid on new Certificates of Participation when deemed necessary. Our objective is to earn a sufficient margin between the interest earned on loans and the interest paid on Certificates of Deposit.

An Investor may request early withdrawal of all or a portion of his or her Certificate prior to the Certificate’s maturity date. Unless the withdrawal is the result of the death of the depositor, there will be a penalty for early withdrawal on the portion withdrawn as follows:

<u>Term of Certificate</u>	<u>Early Withdrawal Penalty of interest earned up to a maximum of</u>
One year	Three months’ interest
Three years	Six months’ interest
Five years	Six months’ interest
Three months	Three months’ interest
Six months	Three months’ interest
Nine months	Three months’ interest
Fifteen months	Three months’ interest
Eighteen months	Three months’ interest

We will not issue physical certificates to investors who purchase Certificates of Participation. We will maintain a separate account for each investor to record the initial investment, additional investments, withdrawals and interest payments.

IRA Certificates of Participation. We only issue IRA Certificates of Participation to custodians for individual retirement accounts established by investors pursuant to Section 408 of the Internal Revenue Service. The IRA Certificates of Participation have three-year terms. If you request, and we allow, an early withdrawal of all or a portion of an IRA Certificate of Participation prior to the Certificate’s maturity date, you will not incur a penalty if the withdrawal is a “normal” distribution under applicable IRS rules. You will incur a penalty, however, for an early withdrawal from an IRA Certificate of Participation that is not a “normal” distribution.

Savings Accounts

Churches, agencies and individuals may also participate in Savings Accounts. Our Savings Accounts, however, will pay a lower interest rate than Certificates of Participation. Any church, agency or person may invest any amount equal to or greater than \$25. The value of a Savings Account at any point in time is the amount the depositor had invested in the Savings Account previously, less any withdrawals, plus any accrued but unpaid interest on the periodic balance of funds in the Savings Account. Investments or withdrawals generally are made by mailing to us a check in the amount of the investment or a request for a withdrawal. We will usually process the transaction on the day of receipt of investment or request for withdrawal. There is no penalty for participants to withdraw from Savings Accounts.

We will not issue physical certificates to investors who open Savings Accounts. We will maintain a separate account for each investor to record the initial investment, additional investments, withdrawals and interest payments.

IRA Savings Accounts. We only issue IRA Savings Accounts to custodians for individual retirement accounts established by investors pursuant to Section 408 of the Internal Revenue Service.

Interest

As of the date of this offering circular, the interest rate for all Savings Accounts and new Certificates of Participation offered by this offering circular are as follows:

Savings Accounts	1.50%
IRA Savings Accounts	1.50%
One-year Certificates of Participation	1.75%
Three-year Certificates of Participation	3.00%
Five-year Certificates of Participation	3.15%
Three-month Certificates of Participation	1.60%
Six-month Certificates of Participation	1.65%
Nine-month Certificates of Participation	1.70%
Fifteen-month Certificates of Participation	2.00%
Eighteen-month Certificates of Participation	2.75%
IRA Three-year Certificates of Participation	3.00%

The board of directors will periodically evaluate interest rates and may change the rates paid as deemed necessary. In addition, rates of interest upon Certificates of Participation and Savings Accounts offered in the future may vary from time to time depending upon economic conditions.

At your option, we will pay interest on Certificates of Participations with maturities of one, three or five years either quarterly or annually, or you may elect to have interest reinvested annually. If you invest more than \$10,000 in a Certificate of Participation, you may elect to have interest paid on a monthly basis. For Certificates of Participation with maturities of three, six or nine months, we will pay interest at maturity, and for Certificates of Participation with maturities of 15 or 18 months, we will pay interest 12 months after issuance and at maturity.

Interest on IRA Certificates of Participation will be reinvested annually; However, you may have the option of requesting periodic distributions as provided by the Internal Revenue Code and regulations.

Interest earned on Savings Accounts will be added to the accounts quarterly. Investors in IRA Savings Accounts may have the option of requesting periodic distributions as provided by the Internal Revenue Code and regulations.

Interest that is paid on any Certificate of Participation or Savings Account is subject to federal income tax in the year it is paid. See "Tax Matters."

We will send a written statement quarterly to each investor showing the principal and interest balance of each Savings Account. We will send each investor in a one-, three- or five-year Certificate of Participation an annual statement of the account at the annual anniversary of the purchase of the Certificate.

Transfer

The Certificates of Participation and Savings Accounts are transferable only with our consent when a transfer request is presented to us. We may withhold our consent to a proposed transfer if we conclude that the transfer would violate applicable state or federal securities laws. Transfers are permitted only to:

- persons who are members of, contributors to or participants in the United Methodist Church, and who live in the States of Indiana, Arizona, Illinois, Kentucky, Hawaii and Texas (and, in limited circumstances, Certificates of Participation may be transferred to residents of Florida and North Carolina),
- persons who are ancestors, descendants, or successors in interest to such persons and residing in such states, and
- United Methodist churches and agencies or organizational units of the United Methodist Church in Indiana.

No Trust Indenture or Sinking Fund

The Certificates of Participation and Savings Accounts are not issued pursuant to any trust indenture; nor is there any indenture trustee or other agent appointed to represent the interests of investors.

No Priority

The Certificates of Participation and Savings Accounts represent unsecured indebtedness of the Loan Fund. Investors do not have an equity interest in the Loan Fund and have no right to vote on matters brought before our board of directors. In effect, our investors are unsecured creditors of the Loan Fund, entitled to an equal claim upon our assets with all of our other unsecured creditors.

Repayment of Certificates of Participation and Savings Accounts; Prepayment

Savings Accounts. You may request repayment of principal or any accrued interest on a Savings Account at any time, without penalty, by mailing a request for withdrawal to the Loan Fund at 1001 North Western Avenue, Suite D, Marion, Indiana 46952.

Certificates of Participation (Other than IRA Certificates of Participation). If you, prior to the maturity date, request repayment of principal or any accrued interest on a Certificate of Participation, we will repay the entire principal amount promptly and assess a prepayment penalty, which will be deducted from the repayment of the principal and will pay interest which has accrued since the last interest payment date. The prepayment penalty will be interest earned up to a maximum of three months' interest for a Certificate of Participation with an initial maturity date of eighteen or fewer months and six months' interest for a three-year or five-year Certificate of Participation. You may mail a request for withdrawal to the Loan Fund at 1001 North Western Avenue, Suite D, Marion, Indiana 46952.

IRA Certificates of Participation. If you request, and we allow, an early withdrawal of all or a portion of an IRA Certificate of Participation prior to the Certificate's maturity date, you will not incur a penalty if the withdrawal is a "normal" distribution under applicable IRS rules. You will incur a penalty, however, for an early withdrawal from an IRA Certificate of Participation that is not a "normal" distribution. You may mail a request for withdrawal to the Loan Fund at 1001 North Western Avenue, Suite D, Marion, Indiana 46952.

Audited Financial Statements

Annually, within 120 days following the close of our fiscal year, we will mail to each investor our current financial statements, including a statement of financial position, statement of activities and statement of cash flows, prepared as of the end of such fiscal year and audited by an independent certified public accountant. Current audited financial statements will also be provided to any investor upon written request.

TAX MATTERS

The following is a summary of tax issues you should consider before purchasing a Certificate of Participation or Savings Account. The summary is not complete. You should consult your tax advisor for further information.

You will not receive a charitable deduction for the purchase of Certificates of Participation and Savings Accounts. Except for IRA Certificates of Participation and IRA Savings Accounts, the interest paid on the Certificates of Participation and Savings Accounts is taxable as ordinary income to an Investor in the year paid or accrued. Even though the interest may not be actually paid to you because you have chosen to have the interest accrue and earn interest (*i.e.*, compounded), the accrued interest is taxable as ordinary income in the year in which it is accrued.

If an IRA Certificate of Participation or IRA Savings Account is not rolled over and is paid out before you reach age 59 ½, you may incur a 10% penalty tax on the taxable portion of the distribution. There are exceptions to this general rule, and they include distributions due to death or disability and distributions needed to pay medical or unemployed health insurance costs.

If we pay below the market interest, an individual Investor who has, or a husband and wife who together have, invested more than \$250,000 in the aggregate with the Loan Fund may be deemed to receive additional

taxable interest under Section 7872 of the Internal Revenue Code. If this applies to you, you should consult your tax advisor regarding the special income tax rules applicable to loans and investments that are greater than \$250,000 in the aggregate.

We will notify you of interest earned on Certificates of Participation and Savings Accounts by sending you Federal Income Tax Form 1099 or the comparable form by January 31 of each year.

You should be careful to provide us with a correct social security number or other appropriate tax identification number. We must deduct, withhold, and pay over to the Internal Revenue Service, a backup withholding tax equal to 28% of any reportable payments due to an Investor if the Internal Revenue Service notifies us that the social security number or other tax identification number you furnish to us is incorrect.

MANAGEMENT

Directors

Pursuant to our articles of incorporation, the affairs of the Loan Fund are managed by our directors, each of whom is selected by the board of directors of the Foundation. According to our by-laws our board of directors will have up to nine members. Our board currently operates with seven members while we seek to fill the remaining vacancies. Each director is elected by the board of directors of the Foundation. Two members of our board of directors are members of the Foundation board of directors. In addition, the Executive Director of the Foundation (or his or her designee) is an ex-officio (non-voting) member of the board. The directors meet at least once each year.

Each elected director will hold office for a term of four years. The terms are staggered. The number of terms a director may serve is not limited. The directors receive no compensation for their services.

Below is certain biographical information with respect to the directors:

Dennis Alstott, age 65, is a pastor currently serving Dillsboro United Methodist Church. He began his ministry in 2000 after retiring from 38 years in the banking industry. Term expires December 31, 2012.

Richard Conroy, age 64, retired in January 2000 as Vice President and Manager of First Federal Bank, Syracuse, Indiana, a position he had held since 1985. Term expires December 31, 2012.

James Caskey, age 70, retired as President and Chief Executive Officer of Farmer's State Bank, Syracuse, Indiana in 2002. He had held that position since 1994. Prior to that he was President and Chief Executive Officer of The State Bank of Syracuse, Syracuse, Indiana, since 1974. Term expires December 31, 2012.

Thomas Heck, age 56, was the Vice President of Operations and Treasurer of the Ball State University Foundation for over ten years, and currently serves as the Chief Investment Officer. Term expires December 31, 2012.

Donald Lee Spence, age 60, founded DLS Financial Solutions, LLC, a financial consulting firm, in 2004. For eleven years prior to that, he was the Comptroller for Diechman Excavating Co., Logansport, Indiana. Before that, he was the Chief Financial Officer for First National Bank of Logansport. Term expires June 1, 2010.

James Need, age 65, retired as Community Bank President of Regions Bank, Frankfort, Indiana branch. He held that position since 2000. He had been with Community Bank of Regions Bank, Frankfort, Indiana branch for 39 years. Term expires June 1, 2010.

DeVon Yoho, age 67, is an Associate Professor of Economics at Ball State University, Muncie, Indiana, a position he has held for more than 30 years. He is also the Director of the Center for Economic Education at Ball State University. Term Expires June 1, 2011.

Manet Shettle, age 48, is the Executive Director of the Foundation and the Loan Fund. She is a non-voting member of the board of directors of the Loan Fund. Mrs. Shettle has been a certified public accountant for over 20 years prior to joining the Foundation in 2008.

Officers

The directors of the Loan Fund elect our officers annually. The officers are in charge of the day-to-day operations of the Loan Fund and are the individuals primarily responsible for the offering of Certificates of Participation and Savings Accounts and the administration of our loan portfolio.

Our officers, whose terms expire in 2010 are as follows:

Name	Office
Thomas Heck	President
Dennis Alstott	Vice President
Donald Lee Spence	Secretary and Treasurer
Manet Shettle	Executive Secretary

For information regarding the principal occupations of these officers, see the biographical information included in the list of directors. None of the officers will be employed full-time by the Loan Fund; however, Mrs. Shettle is a full-time employee of the Foundation, which is an affiliate of the Loan Fund. Each of the officers will devote sufficient time to fulfill his duties and obligations to the Loan Fund.

None of the officers will receive any compensation from the Loan Fund. No officer has a material employment contract with the Loan Fund. Mrs. Shettle will receive compensation from the Foundation, of which she is the Executive Director. There have been no material transactions, nor are there any proposed transactions or other conflicts of interest between us and any director or officer of the Loan Fund or Foundation. A majority of the officers are investors in the Loan Fund.

No officer or director has, during the past ten years, been convicted of any criminal matter (other than for traffic violation and other minor misdemeanors) or has been the subject of any order, judgment, or decree of any court enjoining such person from any activities associated with the offer or sale of Certificates of Participation and Savings Accounts.

LITIGATION AND OTHER INFORMATION

As of the date of this offering circular, there are no suits, actions, or other legal proceedings or claims pending against the Loan Fund or any of our officers or directors.

PLAN OF DISTRIBUTION

We will offer the Certificates of Participation and Savings Accounts for sale through the distribution of the offering circular to prospective investors. All advertising in regional United Methodist publications will state that it is not an offer for sale and that an offer can be made only through this offering circular. All advertising will contain our toll-free phone number so that a request for an offering circular can be made at no expense to the prospective Investor. On occasion the offering circular will be distributed at United Methodist meetings, generally those held on a conference-wide or district-wide basis. When the opportunity arises, the Foundation staff or members of the boards of directors of the Loan Fund or the Foundation may speak with regard to the nature and purpose of our work. No funds will be accepted for the purchase of a Certificate of Participation or a Savings Account, nor will any security be issued, until we first have received an executed application from the investor. See "Method of Offering and Withdrawal of Subscriptions."

There are no underwriting or selling agreements, and no commissions, direct or indirect, or other remuneration will be paid to any individual or organization in connection with the offer and sale of the

Certificates of Participation and Savings Accounts. We will offer and sell the Certificates of Participation and Savings Accounts only through our officers and employees.

We have paid or will pay all expenses relating to this offering and the issuance of Certificates of Participation and Savings Accounts from working capital. We expect such expenses to be approximately \$15,000.

METHOD OF OFFERING AND WITHDRAWAL OF SUBSCRIPTION

How to Purchase Certificates of Participation and Savings Accounts

You may purchase a Certificate of Participation or open a Savings Account by completing the appropriate Application to Purchase Certificate of Participation or Savings Account Application, each of which accompanies this offering circular, and mailing the completed application along with a check to the Loan Fund at the following address:

IN U.M. Loan & Savings Ministry, Inc.
1001 North Western Avenue, Suite D
Marion, Indiana 46952
Attn: Manet Shettle

The Certificates of Participation and Savings Accounts will be sold for cash, at face value, and we will offer no financing terms for purchase of Certificates of Participation and Savings Accounts. Certificates of Participation and Savings Accounts will be issued only upon payment by you in cash of the full purchase price of the Certificates of Participation and/or Savings Accounts that you acquire.

Restricted Offering

The offer and sale of the Certificates of Participation and Savings Accounts is restricted solely to:

- persons who are members of, contributors to, or participants in the United Methodist Church, and who live in the State of Indiana, Arizona, Illinois, Kentucky, Hawaii or Texas (we may also sell Certificates of Participation in limited circumstances to residents of Florida and North Carolina),
- persons who are ancestors of, descendants of or successors in interest to such persons residing in such states, and
- United Methodist churches and agencies or organizational units of the United Methodist Church in Indiana.

Withdrawal of Subscription

We reserve the right at any time to withdraw all or any part of the Certificates of Participation and Savings Accounts we are offering by this offering circular without notice and to reject any subscription for such Certificates of Participation or Savings Accounts. There is no minimum amount which must be raised, and if the entire amount of the offering is not needed for the purposes intended, the offering may be withdrawn and the acceptance of subscriptions suspended.

LEGAL MATTERS

Legal matters in connection with the Certificates of Participation and Savings Accounts and in connection with this offering have been passed upon by Barnes & Thornburg LLP, Indianapolis, Indiana. In connection therewith, Barnes & Thornburg LLP has given its legal opinion to the effect that all of the Certificates of Participation and Savings Accounts to be issued pursuant to this offering will be valid and enforceable obligations of the Loan Fund.

EXPERTS

The audited Statement of Financial Position of the Loan Fund as of December 31, 2009, 2008 and 2007, and the related Statements of Activities and Cash Flows for the years then ended included in this offering circular have been audited by Dulin, Ward & DeWald, Inc. and are included in this offering circular in reliance upon the authority of said firm as experts in accounting and auditing in giving said report.

ADDITIONAL INFORMATION

We have filed certain documents with the appropriate agencies of various states, including:

- a registration statement with respect to the Certificates of Participation and Savings Accounts offered by this offering circular, filed in the office of the State of Indiana Securities Division. This registration statement includes certain exhibits only summarized or alluded to in this offering circular, and these additional documents are available for inspection at the offices of the Division during regular business hours.

This offering circular does not contain all the information that has been filed with states, but that information is made part of this offering circular and may be inspected in the offices of the regulatory bodies of those states.

Indiana Residents: These are speculative securities. The Indiana Securities Division has not in any way passed upon the merits or qualifications of, or recommended or given approval to the Securities offered, or passed upon the accuracy or adequacy of this offering circular.

If you received an electronic version of this offering circular on a CD-Rom, you may request a hard copy, at no cost, by writing to or telephoning us at the following address:

IN U.M. Loan & Savings Ministry, Inc.
1001 North Western Avenue, Suite D
Marion, Indiana 46952
(765) 664-2327
toll-free (866) 669-2327

Except as indicated in this offering circular, this offering circular speaks as of the date on its front cover.

IN U.M. LOAN & SAVINGS MINISTRY, INC.

FINANCIAL STATEMENTS

Years Ended December 31, 2009, 2008 and 2007

TABLE OF CONTENTS

	PAGE NO.
ACCOUNTANTS' REPORT ON FINANCIAL STATEMENTS	F-2
FINANCIAL STATEMENTS	
Statements of Financial Position.....	F-3
Statements of Activities	F-4
Statements of Cash Flows.....	F-5
Notes to Financial Statements.....	F-6



Dulin, Ward & DeWald, Inc.
CPAs & ADVISORS

9921 Dupont Circle Drive West, Suite 300
Fort Wayne, IN 46825
260.423.2414
800.232.8913
Fax: 260.423.2419
www.dwdcpa.com

Offices Located in Ft. Wayne and Marion, Indiana

INDEPENDENT AUDITOR'S REPORT

Board of Directors
IN U.M. Loan & Savings Ministry, Inc.
Marion, Indiana

We have audited the accompanying statements of financial position of IN U.M. Loan & Savings Ministry, Inc. (a nonprofit organization) as of December 31, 2009, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IN U.M. Loan & Savings Ministry, Inc. as of December 31, 2009, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Fort Wayne, Indiana
April 6, 2010

IN U.M. LOAN & SAVINGS MINISTRY, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2009, 2008 and 2007

	2009	2008	2007
ASSETS			
Cash and cash equivalents	\$ 28,523	\$ 6,720	\$ 20,755
Accrued interest receivable	68,412	36,930	43,271
Prepaid expenses	5,718	5,715	5,715
Mortgage notes receivable	16,580,771	12,191,425	9,197,223
Investments	3,806,046	3,595,423	3,138,461
Equipment - net of accumulated depreciation of \$10,456 (2009), \$8,042 (2008) and \$5,614 (2007)	7,561	9,975	12,403
Total Assets	\$ 20,497,031	\$ 15,846,188	\$ 12,417,828
LIABILITIES AND NET ASSETS			
Deposits	\$ 20,172,612	\$ 15,663,299	\$ 12,293,790
Accounts payable:			
North Indiana United Methodist Foundation, Inc.	2,099	51,178	105,188
Other	103	46	509
Accrued interest payable	262,812	226,961	216,897
Total Liabilities	20,437,626	15,941,484	12,616,384
Net assets (deficit) - unrestricted	59,405	(95,296)	(198,556)
Total Liabilities and Net Assets	\$ 20,497,031	\$ 15,846,188	\$ 12,417,828

The accompanying notes are an integral part of these financial statements.

IN U.M. LOAN & SAVINGS MINISTRY, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2009, 2008 and 2007

	2009	2008	2007
CHANGES IN UNRESTRICTED NET ASSETS			
Support, Revenues and Gains:			
Interest Income:			
Mortgage notes	\$ 1,012,389	\$ 751,455	\$ 655,591
Investments	<u>73,604</u>	<u>96,308</u>	<u>93,428</u>
Total interest income	1,085,993	847,763	749,019
Interest Expense:			
Deposits	<u>746,600</u>	<u>610,920</u>	<u>540,033</u>
Net interest support	339,393	236,843	208,986
Non-interest support:			
Contributions:			
North Indiana United Methodist Foundation, Inc.	27,000	22,100	13,200
Other	5	100	-
Miscellaneous	3,470	4,566	6,848
Gain on investments	<u>24,463</u>	<u>19,697</u>	<u>8,835</u>
Total Unrestricted Support, Revenues and Gains	394,331	283,306	237,869
Expenses:			
Program	203,694	196,793	167,347
Administrative	<u>35,936</u>	<u>33,253</u>	<u>30,344</u>
Total Expenses	<u>239,630</u>	<u>230,046</u>	<u>197,691</u>
CHANGE IN NET ASSETS - before forgiveness of debt	154,701	53,260	40,178
Forgiveness Of Debt	<u>-</u>	<u>50,000</u>	<u>-</u>
CHANGE IN NET ASSETS	154,701	103,260	40,178
NET ASSETS (DEFICIT) - beginning of year	<u>(95,296)</u>	<u>(198,556)</u>	<u>(238,734)</u>
NET ASSETS (DEFICIT) - end of year	<u>\$ 59,405</u>	<u>\$ (95,296)</u>	<u>\$ (198,556)</u>

The accompanying notes are an integral part of these financial statements.

IN U.M. LOAN & SAVINGS MINISTRY, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2009, 2008 and 2007

	2009	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in net assets	\$ 154,701	\$ 103,260	\$ 40,178
Adjustments to reconcile change in net assets to cash flows from operating activities:			
Depreciation	2,414	2,428	2,748
(Gain) loss on investments	(24,463)	(19,697)	(8,835)
Forgiveness of debt	-	(50,000)	-
Changes in assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	-	-	930
Accrued interest receivable	(31,482)	6,341	(10,347)
Prepaid expenses	(3)	-	320
Increase (decrease) in liabilities:			
Accounts payable	(49,022)	(4,473)	(6,576)
Accrued interest payable	35,851	10,064	47,015
	87,996	47,923	65,433
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of investments	(10,117,282)	(9,015,077)	(5,896,210)
Withdrawals from investments	9,931,122	8,577,812	4,059,694
Purchase of equipment	-	-	(3,428)
Advances on mortgage notes receivable	(5,621,683)	(4,496,345)	(1,098,026)
Payments on mortgage notes receivable	1,232,337	1,502,143	912,506
	(4,575,506)	(3,431,467)	(2,025,464)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in deposits	4,509,313	3,369,509	1,833,444
	21,803	(14,035)	(126,587)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	6,720	20,755	147,342
CASH AND CASH EQUIVALENTS - beginning of year			
	\$ 28,523	\$ 6,720	\$ 20,755
CASH AND CASH EQUIVALENTS - end of year			
	\$ 28,523	\$ 6,720	\$ 20,755

The accompanying notes are an integral part of these financial statements.

IN U.M. LOAN & SAVINGS MINISTRY, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

IN U.M. Loan & Savings Ministry, Inc. (Loan Fund) is a charitable corporation created to receive investments and deposits from United Methodist churches, agencies and individuals affiliated with United Methodist churches located in the states of Indiana, Illinois, Kentucky, Hawaii, Arizona, Texas, Florida and North Carolina. Assets received through these investments and deposits will be used to make mortgage-backed loans to United Methodist churches and agencies throughout Indiana.

The Loan Fund is affiliated with the North Indiana United Methodist Foundation, Inc. (Foundation). The Loan Fund shares facility and support staff with the Foundation and pays the Foundation a monthly administrative fee. Any of these costs not reimbursed to the Foundation are considered an in-kind donation.

On January 1, 2009, the Loan Fund adopted FASB ASC 740-10, formerly FIN 48-3, "Accounting for Uncertainty in Income Taxes." The Loan Fund is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and qualifies for the 50% charitable contributions deduction limitation. The Loan Fund has been classified as an Organization that is not a private foundation under Section 509(a) of the Internal Revenue Code. The Loan Fund is not required to file an income tax return. The Loan Fund's open audit periods include years ending December 31, 2007, 2008 and 2009. The Loan Fund's management has determined that there are no events that would more likely than not cause the above tax position to change within the next twelve months. The Organization recognizes interest and penalties related to income tax matters in interest expense.

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

For purposes of the statement of cash flows, the Loan Fund considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Investments are stated at fair value. Substantially all of the investments have readily determinable values. Fair value is determined by brokerage statements received from reputable brokerage firms.

(continued)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Mortgage notes are stated at the amount of unpaid principal, less an allowance for loan losses, if any. Interest is calculated by using the simple interest method on the principal amount outstanding.

An allowance for losses on mortgage notes is maintained at a level considered adequate to absorb potential loan losses determined on the basis of management's review and evaluation of the loans and its judgment as to the impact of current economic conditions on the loans. The evaluation includes consideration of past loan loss experience and the current volume and condition of loans outstanding. Recognized losses are charged to the allowance and subsequent recoveries are added.

The Loan Fund is approved by the Indiana Securities Division to receive deposits. Deposits consist of savings accounts and certificates of deposit. Certificates earn a fixed rate of interest for their term. Savings accounts are subject to periodic change in interest rates as determined by the Board of Directors. Deposits are not insured.

Equipment is stated at cost or, if donated, at fair value at the date of the gift. The Loan Fund follows the policy of providing depreciation on the straight-line method for financial statement reporting purposes over the estimated useful lives of the related assets. It is not the Loan Fund's policy to imply time restrictions expiring over the useful life of the donated assets. In the absence of donor-imposed restrictions on the use of the asset, gifts of long-lived assets are reported as unrestricted support. All items with a cost or donated value in excess of \$250 and a useful life in excess of one year are capitalized.

All contributions are considered to be available for the general programs of the Loan Fund unless specifically restricted by the donor. The Loan Fund reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Advertising expenses are charged to operations when they are incurred.

Management has evaluated subsequent events through April 6, 2010, the date which the financial statements were available for issue.

Certain reclassifications have been made to conform prior year's financial statements to the current presentation. These reclassifications have no effect on previously reported operating results.

2. MORTGAGE NOTES RECEIVABLE

The Loan Fund has mortgage notes receivable of \$16,580,771 at December 31, 2009, \$12,191,425 at December 31, 2008 and \$9,197,223 at December 31, 2007 due from United Methodist churches and agencies in Indiana. Interest rates range from 5% to 8%, and maturity dates range up to 2039. The current portion of mortgage notes receivable was \$2,712,317 at December 31, 2009, \$2,490,378 at December 31, 2008 and \$1,705,195 at December 31, 2007.

No allowance for loan losses has been considered necessary.

3. INVESTMENTS

Investments as of December 31, 2009 are summarized as follows:

	Cost	Market
Money market	\$ 1,647,197	\$ 1,647,197
Certificates of deposit	<u>2,119,000</u>	<u>2,158,849</u>
	<u>\$ 3,766,197</u>	<u>\$ 3,806,046</u>

Investments as of December 31, 2008 are summarized as follows:

	Cost	Market
Money market	\$ 2,370,038	\$ 2,370,038
Certificates of deposit	<u>1,210,000</u>	<u>1,225,385</u>
	<u>\$ 3,580,038</u>	<u>\$ 3,595,423</u>

Investments as of December 31, 2007 are summarized as follows:

	Cost	Market
Money market	\$ 2,162,773	\$ 2,162,773
Certificates of deposit	<u>980,000</u>	<u>975,688</u>
	<u>\$ 3,142,773</u>	<u>\$ 3,138,461</u>

4. DEPOSIT LIABILITIES

Deposit liabilities consist of the following:

	2009	2008	2007
Savings deposits	\$ 1,530,496	\$ 1,254,277	\$ 1,240,627
Certificate of deposits	<u>18,642,116</u>	<u>14,409,022</u>	<u>11,053,163</u>
	20,172,612	15,663,299	12,293,790
Accrued interest	<u>262,812</u>	<u>226,961</u>	<u>216,897</u>
	<u>\$ 20,435,424</u>	<u>\$ 15,890,260</u>	<u>\$ 12,510,687</u>

5. FAIR VALUE MEASUREMENT

Assets measured at fair value on a recurring basis comprise the following:

	Fair Value at December 31, 2009
Investments	\$ 3,806,046
Mortgage notes receivable	<u>16,580,771</u>
Total	<u>\$ 20,386,817</u>

Fair value was determined as follows:

	Quoted priced in Active Markets	Other Observable Inputs
Investments	\$ 3,806,046	\$ -
Mortgage notes receivable	<u>-</u>	<u>16,580,771</u>
Total	<u>\$ 3,806,046</u>	<u>\$ 16,580,771</u>

For all investments fair value is determined by reference to quoted market prices and other relevant information generated by market transactions. Fair value on mortgage notes receivable is estimated as the present value of expected future cash inflows.

6. LINE OF CREDIT

In January 2009 the Organization entered into a line of credit agreement in the amount of \$2,500,000 available with Texas Methodist Foundation. The line of credit bears interest at prime plus ½ percent, with a floor of 4.75%, which is payable monthly on the outstanding balance. The line of credit has a maturity date of January 2010 and is secured by all loans held by the Organization.

7. STATEMENT OF CASH FLOWS SUPPLEMENTAL DISCLOSURES

Cash used in operating activities includes interest paid on deposits in the amount of \$712,175 for 2009, \$606,727 for 2008 and \$494,688 for 2007.

8. IN-KIND CONTRIBUTIONS

Non-cash activities have been recognized for in-kind use of facilities, support staff, property insurance and maintenance provided to the Loan Fund by the Foundation:

	2009	2008	2007
Program:			
Administrative fee	\$ 21,600	\$ 17,680	\$ 10,560
Administrative:			
Administrative fee	\$ 5,400	\$ 4,420	\$ 2,640

9. ADVERTISING

No direct cost advertising was paid in 2009, 2008 or 2007.

10. RELATED PARTY TRANSACTIONS

The Loan Fund holds deposits with related parties as follows:

	2009	2008	2007
Board of directors and management	\$ 86,566	\$ 94,509	\$ 32,020
North Indiana United Methodist Foundation, Inc.	\$ 45,096	-	\$ -

The Loan Fund incurred expense to the Foundation totaling \$162,000 for 2009, \$146,100 for 2008 and \$138,000 for 2007 for use of facilities, support staff, property insurance and maintenance.

During 2008, the North Indiana United Methodist Foundation, Inc. forgave \$50,000 of the Loan Fund accounts payable. Under generally accepted accounting principles, forgiveness of related party debt is accounted for as an equity transaction. Accordingly, forgiveness of the accounts payable is reported in the 2008 financial statements as a \$50,000 increase in net assets.

11. CREDIT RISK AND COMMITMENTS

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying balance sheets.

In the normal course of business the Organization has made commitments to extend mortgage loans. The mortgage loans are secured by real estate. The Organization does not anticipate any material losses as a result of these commitments.