

***STATE OF THE CHURCH LOAN FUND, INC.***  
***Art Rhodes and Angie Conine***  
**November 21, 2025**

*“Then He said, “Go out, and stand on the mountain before the Lord.” And behold, the Lord passed by, and a great and strong wind tore into the mountains and broke the rocks in pieces before the Lord, but the Lord was not in the wind; and after the wind an earthquake, but the Lord was not in the earthquake; and after the earthquake a fire, but the Lord was not in the fire; and after the fire a still small voice.” I Kings 19:11-12 (NKJV)*

In God’s revelation to Elijah, God was not in the wind, the earthquake, nor was He in the fire. However, those things were great distractions - and literally could have totally sidetracked the Prophet Elijah from the real reason God had him go out and stand on the mountain. After all those distractions, God spoke to Elijah in a “still small voice.”

In 2025, there have been many (should we say many, many, and maybe even more many) distractions that have tried to lure us away from focusing on the true fundamentals of financial investing and running a stable loan program. There is no doubt that we have had our own “wind, earthquake, and fire” during this year. In other words, we have experienced **A Lot of Noise** in 2025. That noise has been caused by numerous topics and events – rapidly expanding use and acceptance of artificial intelligence, ever changing tariff levies, tax relief and new tax provisions, interest rate cuts and a desire for more cuts, unstable political environment in the Middle East and other political hotspots around the globe, the longest government shutdown in history, the worst job layoff month (October) in 22 years (nearly triple the number of jobs cut in September – and it puts the total for the year through October at almost 1.1 million jobs lost – 44% more than in all of 2024), a rapidly declining dollar, ever increasing construction and rehab costs, low appraisals based upon insufficient/inadequate comparables, and the list could go on and on.

In recognizing all this “noise,” Federal Reserve Chair Jerome Powell noted in his October press conference, “What do you do if you’re driving in fog? You slow down.” While most took Chairman Powell’s comments to only apply to the Fed slowing down on cutting interest rates, it seems as though now, as the overall financial markets have fluctuated, the Chairman may have been making a broader statement that applies to the markets as a whole.

It is during these times that discipline to stay focused on the main thing is so important. Our business is making good, long-term performing church loans. We must always “keep the main thing the main thing.” If not, we can become totally disoriented.

On August 13, 1989, U.S. Congressman Larkin Smith boarded a small private plane in Hattiesburg, MS, headed to his home on the Mississippi Gulf Coast. The pilot, Chuck Vierling, was flying the plane that night totally by sight without the experience or qualifications to use the navigational instruments on the plane. When they flew over the Desoto National Forest, it was so dark that rainy night in rural Perry County that the

pilot could no longer tell the sky from the ground. Thinking he was gaining altitude, the pilot literally flew the plane into the ground, killing himself and Congressman Smith. Almost exactly ten years later, the same disorientation happened to John F. Kennedy, Jr. as he piloted his own plane directly into the Atlantic Ocean off the coast of Martha's Vineyard.

When you do not know up from down, but assume wrongly, disaster occurs. When there is so much "noise" like we have experienced in 2025, organizations like ours can become totally disoriented if we allow the distractions to dictate our path forward. Although there may be the "wind, the earthquake, and the fire," we – the Church Loan Fund – must not become distracted by those things and must continue to listen for that "still small voice."

In his "Thanksgiving letter" to his children and shareholders just a few days ago, legendary investor Warren Buffett offered some powerful words of wisdom: "Decide what you would like your obituary to say and live the life to deserve it. Greatness does not come about through accumulating great amounts of money, great amounts of publicity, or great power in government. When you help someone in any of thousands of ways, you help the world. Kindness is costless but also priceless. Whether you are religious or not, it's hard to beat The Golden Rule as a guide to behavior." In a comical twist, Buffett ended the letter by saying, "I wish all who read this a very Happy Thanksgiving. Yes, even the jerks; it's never too late to change..... You will never be perfect, but you can always be better."

As I have said before, there is no doubt, in spite of the current overall positive financial trends, that there are some strong financial headwinds ahead for our nation as a whole. We simply must continue to pray for God's wisdom and grace to guide us through these challenging and disorienting times. While we recognize that we will never be perfect, we always must strive to be better.

### **Basic Statistics for 2025**

- Total assets of the Church Loan Fund as of October 31, 2025, were \$57,477,090.
- The outstanding loan balance as of October 31, 2025, for the Church Loan Fund, Inc. was **\$53,218,708**, represented by 115 loans (including investments).
- The loan portfolio is geographically diversified with loans in 23 different states.
- The interest rate on the loans within the portfolio range from a high of 8.75 to a low of 5.00%, with 1% (\$314,000 made up of 5 loans) of the loans at the 8.75% rate. We are currently offering rates on new loans from 5.00% to 8.75% based on the financial stability of the church.

- The *projected* 2025 internal rate of return is 5.50%.
- None of the loans in the portfolio have a maturity date greater than 10 years while approximately 16% of our loans will mature or be up for review within the next 2 years.
- We have NO loans that are 30 days or more delinquent.
- Since the 2024 Fall Board Meeting, there have been 11 new loans (including advances), totaling more than \$4,580,000 million.
- Of the 11 approved loans, 3 are waiting to close and fund.
- The Loan Fund is also consulting with dozens of churches, state offices and the denomination in an effort to provide financial and real estate guidance in areas ranging from church and state office budgeting, refinancing, to walking with them through foreclosure. These are situations not related to the Church Loan Fund portfolio.

## Conclusion

It is our hope that this report provides you with clarity on the efforts that we have underway to better serve our borrowers. Please know that your service to the Kingdom of God and to the Church Loan Fund is greatly appreciated. May God bless you richly for the sacrifice you make to serve as a part of this board. To paraphrase the words of Warren Buffett, while we realize that we will never be perfect, we will always strive to be better.

Respectfully submitted to the Board of Directors of the Church Loan Fund, Inc., on this the 21<sup>st</sup> day of November 2025.

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