



Update on our response to regulatory changes affecting our Revocable Deposit Program.

Christian Stewardship Services (CSS) was founded in 1976 to 'Make Giving Easier' and to encourage Kingdom investments. Accordingly, for the past 46 years we have provided planned giving and estate planning services for supporters of our charity partners and have arranged mortgage financing for Christian charities.

As we communicated in January and again in November of this year, the regulations governing the activities of charities like CSS have been changing. Specifically, regulatory oversight now applies to all charities in Canada that take deposits and issue mortgages. As a result, in 2020 CSS registered with the Financial Services Regulatory Authority as a Mortgage Broker. Since then, we have been conducting a detailed review of our RDA program in the context of broadening securities legislation in Canada. During this transition period, we have also temporarily suspended the acceptance of new RDA deposits from individuals and businesses, signaling our cooperative intent to the Regulator. While the review process has taken longer than originally expected, we are hopeful that the changes necessary to meet the new requirements will be in place by the middle of 2023.

What will this mean for new and existing investors in the RDA program? We see two very positive outcomes. The first is the assurance investors will have that their savings are with an organization that meets very stringent requirements as laid down by provincial securities commissions. While CSS has, throughout its 46-year history, maintained an impeccable record of care and due diligence in relation to industry-standard processes and requirements, investors will be further assured by this industry standard approval of our structure and processes.

The second positive outcome, one that we did not foresee at the outset, is the possibility of developing a national, multi-denominational fund, supported by donors from many faith communities, and supporting Kingdom-impacting charities across our land. CSS has earned a reputation within the Christian community as a lender with a heart. For over 45 years CSS has operated our mortgage lending with the humility of knowing that these were not our funds, and our community trusted us to use them for maximum Kingdom impact. We have funded hundreds of Churches, Christian Schools and other charities to further their work within their community, and by God's grace, CSS has never in our history had a loss within our mortgage portfolio. To be able to expand this work, we are currently negotiating with another organization of a similar size to pool resources and partner in this grand mission. We could call it RDA 2.0, accomplishing all that the original RDA did and more, with greater cooperation between communities, reduced cost and duplication of effort, and, ultimately, greater Kingdom impact.

In the end, while the process is taking longer than expected, we are excited about the future. We are so thankful for your patience as we work towards the best solution to expand what we can accomplish together, for the glory of our great God.

For more information, we have listed on the reverse side of this page a number of Frequently Asked Questions.

What has changed?

In prior years, the taking of deposits and lending of mortgages by a charity were exempt from oversight and regulation by the Securities Commission. This is no longer the case.

Should I be concerned?

The Regulator's move to increase industry oversight does not have anything to do with the operations at CSS specifically, and the regulators have not approached CSS directly with any concerns. Throughout our 46-year history, CSS has maintained an impeccable record of industry-standard processes for all our activities. Our aim has always been to ensure that our business practices not only meet all applicable regulations and industry guidelines but are also best-in-class.

Why is the regulator getting involved?

The Regulator's role is to protect investors. While it has historically not taken the same active role in relation to investors at a charity, this will be changing. This will be a good change for investors and provide them with an extra level of assurance that their savings are well-managed.

How does this affect me?

Individuals and businesses are temporarily suspended from making new deposits to an RDA deposit account. This suspension does not apply to deposits made by charities and non-profits.

Are my other accounts impacted?

Only the RDA deposit account is affected. There is no impact to Donor Advised Funds or any other type of account or charitable donation.

When will I be able to make new deposits to an RDA account?

It is likely that the process to implement an approved structure will continue to at least the middle of 2023. It is a complex process that has taken longer than we would have hoped, and we ask for your continued patience. We are encouraged by the progress made to date.

Will the RDA continue to be an option for me to invest funds for a Kingdom impact?

The RDA will absolutely be available again in the not-too-distant future, offering a solid option for fixed-income depositors, while also maximizing Kingdom impact through charitable giving and the mortgage lending program.

Will the RDA be different when the review is complete?

While the structure of the RDA will change, from the depositors' perspective it will remain a solid investment option and a way to support Kingdom causes.

Why is the process taking longer than expected?

The complexity of the changes required is greater than initially expected. Also, our analysis has expanded our understanding of what is possible. We envision a national, multi-denominational fund that will be available to lend to any Christian charity in Canada.

Do recent investment returns in my RDA reflect what is going on with the Regulator?

Changes to the regulatory landscape are not impacting returns. Rather, rising interest rates and concerns about inflation have affected returns in both bond and equity markets. On a positive note, the mortgage component of the RDA continues to generate stable returns and offset some of the market swings.