



THE INTERNATIONAL PENTECOSTAL HOLINESS CHURCH EXTENSION LOAN FUND, INC.

7300 NW 39th Expressway, Bethany, Oklahoma 73008
(405) 792-7161 or (800) 407-8959

OFFERING CIRCULAR
\$65,000,000
SAVINGS CERTIFICATES AND FIXED RATE CERTIFICATES

The International Pentecostal Holiness Church Extension Loan Fund, Inc. (the “**Fund**” or, as applicable, “**we**,” “**our**,” “**us**,” and the like) is an Oklahoma not-for-profit corporation established for the primary purpose of assisting The International Pentecostal Holiness Church (the “**Denomination**”) by loaning money to Conferences, member churches and other institutions of the Denomination for the construction of new churches or the purchase or improvement of existing structures. We are offering up to an aggregate \$65,000,000 of our unsecured Savings Certificates and Fixed Rate Certificates (each a “**Debt Security**” and collectively the “**Debt Securities**”), as more fully described in this Offering Circular, to raise money for our lending activities. Our sales of Savings Certificates during the 12-month period after the date of this Offering Circular is limited to an aggregate of \$8,000,000. We refer to ourselves throughout this Offering Circular as the “**Fund**,” and refer to holders and owners of record of the Debt Securities as “**Investors**.”

Savings Certificates have variable interest rates; Fixed Rate Certificates have fixed interest rates. The interest rates and terms to maturity for the Debt Securities currently being offered are set forth on the Investment Rate Sheet currently in effect, which accompanies this Offering Circular and may also be obtained by calling us at 1-800-407-8959 (“**Rate Sheet**”). From time to time, we may change the interest rates offered on new Debt Securities, which will be reflected in an updated Rate Sheet.

There are no underwriters for this offering, nor do we pay any commissions in connection with the sale of the Debt Securities. The Debt Securities will be offered solely by our executive officers, who will receive no direct or indirect compensation for their participation in this offering. Accordingly, we will receive 100% of the proceeds from the sale of the Debt Securities and will bear all expenses incurred in this offering, which we expect to be approximately \$100,000, or 0.15% of the total offering amount.

AN INVESTMENT IN THE DEBT SECURITIES IS SUBJECT TO CERTAIN RISKS. YOU COULD LOSE SOME OR ALL OF YOUR INVESTMENT. SEE “RISK FACTORS” ON PAGES 4-11 OF THIS OFFERING CIRCULAR. You may not purchase our Debt Securities unless you certify in your Investment Purchase Agreement that you were, prior to receipt of this Offering Circular, a member of, contributor to (including previous Investors), or participant in, the Denomination, the Fund, or any conference or congregation of the Denomination, including any program, activity or organization which constitutes a part of the Denomination, the Fund, or other religious organizations that have a programmatic relationship with the Denomination or the Fund.

All information presented in this Offering Circular is subject to the state-specific information described in the “STATE NOTICES” section on page iii.

The date of this Offering Circular is August 29, 2025.

*** Not FDIC or SIPC Insured**

*** Not a Bank Deposit**

*** No Denominational Guarantee**

THE DEBT SECURITIES MAY EITHER BE REGISTERED OR EXEMPT FROM REGISTRATION IN THE VARIOUS STATES OR JURISDICTIONS IN WHICH THEY ARE OFFERED OR SOLD BY THE FUND. THIS OFFERING CIRCULAR HAS BEEN FILED WITH THE SECURITIES ADMINISTRATORS IN SUCH STATES OR JURISDICTIONS THAT REQUIRE IT FOR REGISTRATION OR EXEMPTION.

WE ARE OFFERING THESE DEBT SECURITIES PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 3(a)(4) OF THE FEDERAL SECURITIES ACT OF 1933, AS AMENDED. WE HAVE NOT FILED A REGISTRATION STATEMENT WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE “SEC”).

IN MAKING AN INVESTMENT DECISION, YOU MUST RELY ON YOUR OWN EXAMINATION OF THE FUND AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

THE DEBT 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 DEBT SECURITIES, OR APPROVED, DISAPPROVED OR ENDORSED THE OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE DEBT SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISK OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

THE DEBT SECURITIES ARE NOT SAVINGS OR DEPOSIT ACCOUNTS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION (THE “FDIC”), THE SECURITIES INVESTOR PROTECTION CORPORATION (THE “SIPC”), ANY STATE BANK INSURANCE FUND OR ANY OTHER GOVERNMENTAL AGENCY. THE PAYMENT OF PRINCIPAL AND INTEREST TO AN INVESTOR IS DEPENDENT UPON OUR FINANCIAL CONDITION. ANY PROSPECTIVE INVESTOR IS ENTITLED TO REVIEW OUR FINANCIAL STATEMENTS, WHICH SHALL BE FURNISHED AT ANY TIME DURING BUSINESS HOURS UPON REQUEST. THE DEBT SECURITIES ARE NOT OBLIGATIONS OF, NOR GUARANTEED BY, THE DENOMINATION, OR BY ANY CHURCH, CONFERENCE, INSTITUTION OR AGENCY THAT IS A MEMBER OF THE DENOMINATION.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION IN CONNECTION WITH THIS OFFERING OTHER THAN THOSE CONTAINED HEREIN AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN MADE BY THE FUND.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE FUND AND THE TERMS OF THE OFFERING, INCLUDING THE DISCLOSURES, MERITS AND RISKS INVOLVED.

INVESTORS ARE ENCOURAGED TO CONSIDER THE CONCEPT OF INVESTMENT DIVERSIFICATION WHEN DETERMINING THE AMOUNT OF DEBT SECURITIES THAT WOULD BE APPROPRIATE FOR THEM IN RELATION TO THEIR OVERALL INVESTMENT PORTFOLIO AND PERSONAL FINANCIAL NEEDS.

THE DEBT SECURITIES ARE ISSUED ON A PARITY BASIS AND ARE UNSECURED DEBT OBLIGATIONS OF THE FUND. This means, among other things, that: (i) our ability to repay principal and interest on the Debt Securities depends solely upon our financial condition and liquidity at the time of repayment; (ii) we have not earmarked as collateral or reserved any assets for the payment of principal and interest on the Debt Securities; (iii) there are no guaranties that the principal and interest on the Debt Securities will be paid; (iv) purchasing a Debt Security is subject to investment risks, you could lose the entire amount of your investment; and (v) to the extent we have secured debt obligations, such obligations would rank ahead of the Debt Securities.

STATE NOTICES

ALABAMA. THE DEBT SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 8-6-10 OF THE ALABAMA SECURITIES ACT OR OTHER AVAILABLE EXEMPTION UNDER SECTION 8-6-11 OF THE ALABAMA SECURITIES ACT.

CALIFORNIA. Fixed Rate Certificates purchased in California will be redeemed at maturity unless the Investor notifies the Fund prior to maturity that the Investor elects to reinvest the proceeds. Debt Securities purchased in California are subject to the following restrictions on transfer imposed under California law: IT IS UNLAWFUL TO CONSUMMATE A SALE OR TRANSFER OF THIS SECURITY, OR ANY INTEREST THEREIN, OR TO RECEIVE ANY CONSIDERATION THEREFOR, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION OF THE STATE OF CALIFORNIA, EXCEPT AS PERMITTED IN THE COMMISSIONER'S RULES. It is our current policy (a) to include the foregoing legend prominently stated on the face of each certificate that evidences such a Debt Security or, if uncertificated, in the confirmation of the original investment, and (b) to deliver a copy of Section 260.141.11 (Restriction on Transfer) of Title 10 of the California Code of Regulations to the original Investor and to each transferee of such Debt Security at the time the certificate evidencing the Debt Security (or, if uncertificated, the confirmation of the original investment or transfer of the Debt Security) is delivered to the Investor or transferee. By order of the Commissioner of the Department of Financial Protection and Innovation issued in connection with the qualification of the Fund to offer, issue and sell the Debt Securities in California pursuant to this Offering Circular, the exemption from Corporations Code section 25130 provided by Corporations Code section 25104(h) is withheld with respect to any resale or transfer of the Debt Securities.

FLORIDA. These securities are offered pursuant to a claim of exemption from registration and have not been registered in the State of Florida.

KENTUCKY. These securities are issued pursuant to a claim of exemption from registration under Section 292.400(9) of the Kentucky Securities Act or other available exemption under Section 292.410 of the Kentucky Securities Act.

LOUISIANA. Savings Certificates are not available for sale in the State of Louisiana. To accommodate Louisiana Investors, we require a minimum of only \$250 on Fixed Rate Certificates sold in Louisiana (instead of the usual \$1,000). Fixed Rate Certificates purchased in Louisiana for a principal amount of less than \$1,000 will bear interest at a fixed rate equal to the rate applicable to Savings Certificate in effect on the date of issue. Fixed Rate Certificates purchased in Louisiana will be redeemed at maturity, unless the Investor notifies the Fund prior to maturity that the Investor elects to reinvest the proceeds. THESE SECURITIES HAVE BEEN OFFERED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 709 OF THE LOUISIANA REVISED STATUTES OR REGISTERED WITH THE SECURITIES COMMISSIONER OF THE STATE OF LOUISIANA. THE SECURITIES COMMISSIONER, BY ACCEPTING REGISTRATION, DOES NOT IN ANY WAY ENDORSE OR RECOMMEND THE PURCHASE OF ANY OF THESE SECURITIES.

MICHIGAN. THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER MCL 451.2202 OR A REGISTRATION ORDER ISSUED BY THE STATE OF MICHIGAN. THE STATE OF MICHIGAN DOES NOT RECOMMEND OR ENDORSE THE PURCHASE OF ANY SECURITIES, NOR DOES IT PASS UPON THE TRUTH, MERITS, OR COMPLETENESS OF ANY OFFERING CIRCULAR, PROSPECTUS OR ANY OTHER INFORMATION FILED WITH THIS STATE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

MISSOURI. THE MISSOURI SECURITIES DIVISION HAS NOT IN ANY WAY PASSED UPON THE MERITS OR QUALIFICATIONS OF THE SECURITIES HEREBY OFFERED, OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING CIRCULAR. THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE MISSOURI SECURITIES ACT UNDER THE EXEMPTION PROVIDED BY SECTION 409.2-201(7)(B) OF THE REVISED STATUTES OF MISSOURI. NO APPROVAL HAS BEEN GIVEN TO THE ISSUER, THESE SECURITIES, OR THE OFFER OR SALE THEREOF TO ANY MISSOURI RESIDENTS.

OHIO. Fixed Rate Certificates purchased in Ohio will be redeemed at maturity unless the Investor notifies the Fund prior to maturity that the Investor elects to reinvest the proceeds. We have no obligation to pay interest and no one has the right to receive interest following the maturity of a Fixed Rate Certificate, unless the Fixed Rate Certificate is reinvested in accordance with the procedure stated above.

PENNSYLVANIA. THE SECURITIES OFFERED BY THIS OFFERING CIRCULAR ARE OFFERED PURSUANT TO A REGISTRATION STATEMENT FILED IN THE OFFICES OF THE PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES IN HARRISBURG, PENNSYLVANIA. ANY SUCH REGISTRATION STATEMENT INCLUDES CERTAIN EXHIBITS ONLY SUMMARIZED OR ALLUDED TO IN THE OFFERING CIRCULAR WHICH ARE AVAILABLE FOR INSPECTION AT THE HARRISBURG OFFICE OF THE DEPARTMENT DURING REGULAR BUSINESS HOURS. THE HARRISBURG OFFICE IS LOCATED IN MARKET SQUARE PLAZA, 17 N SECOND STREET, SUITE 1300, HARRISBURG, PENNSYLVANIA, 17101. TELEPHONE NO. 717-787-8059. REGULAR BUSINESS HOURS ARE MONDAY THROUGH FRIDAY, 8:30 AM TO 5:00 PM.

UNDER SECTION 207(M) OF THE PENNSYLVANIA SECURITIES ACT OF 1972, YOU MAY ELECT, WITHIN TWO BUSINESS DAYS AFTER RECEIPT OF THIS OFFERING CIRCULAR, TO WITHDRAW YOUR PURCHASE OF REGISTERED SECURITIES AND RECEIVE A FULL REFUND OF ALL MONIES PAID. ANY SUCH WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, YOU NEED ONLY SEND A WRITTEN NOTICE (INCLUDING ELECTRONIC MAIL) TO THE ISSUER OR UNDERWRITER INDICATING YOUR INTENTION TO WITHDRAW.

IT IS THE POSITION OF THE PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES THAT INDEMNIFICATION IN CONNECTION WITH VIOLATION OF SECURITIES LAWS IS AGAINST PUBLIC POLICY AND VOID.

SOUTH CAROLINA. These securities are offered pursuant to a claim of exemption from registration under Section 35-1-201(7) of the South Carolina Uniform Securities Act, as amended, and have not been registered with the South Carolina Securities Commissioner.

Savings Certificates are not available for sale in the State of South Carolina. To accommodate South Carolina investors, we require a minimum of only \$250 on Fixed Rate Certificates sold in South Carolina (instead of the usual \$1,000). Any Fixed Rate Certificate sold in South Carolina for a principal amount of less than \$1,000 will bear interest at a fixed rate equal to the rate applicable to Savings Certificate in effect on the date of issue.

If you were a resident of the State of South Carolina when you purchased a Fixed Rate Certificate, you may declare an “event of default” on your Fixed Rate Certificate only if one of the following occurs:

- We do not pay overdue principal and interest on the Fixed Rate Certificate within 30 days after we receive written notice from you that we failed to pay the principal or interest when due; or
- A South Carolina purchaser who owns a Fixed Rate Certificate of the “same issue” as your Fixed Rate Certificate (i.e., the same type, term and offering) has rightfully declared an event of default as to his or her Fixed Rate Certificate.

To declare an event of default, you must submit a written declaration to us. The rightful declaration of an event of default as to any one Fixed Rate Certificate of an issue constitutes an event of default on the entire issue in South Carolina. Upon a rightful declaration of an event of default on a Fixed Rate Certificate:

- The principal and interest on your Fixed Rate Certificate becomes immediately due and payable;
- If you request in writing, we will send you a list of names and addresses of all Investors in the State of South Carolina who own a Fixed Rate Certificate of the same issue as your Fixed Rate Certificate; and
- The owners of 25% or more of the total principal amount of Fixed Rate Certificates of the same issue outstanding in the State of South Carolina can declare the entire issue in the State of South Carolina due and payable.

SOUTH DAKOTA. The Debt Securities are offered pursuant to a claim of exemption from registration under S.D.C.L. § 47-31B-201(7)(b) of the South Dakota Securities Act. Neither the South Dakota Division of Insurance nor the SEC has passed upon the value of the Debt Securities, made any recommendations as to their purchase, approved or disapproved the offering, or passed upon the adequacy or accuracy of this Offering Circular. Any representation to the contrary is unlawful.

This Offering Circular does not constitute the offer to sell or the solicitation of an offer to buy these securities to any person in any state or other jurisdiction in which such offer or solicitation may not be lawfully made. Neither the delivery of this Offering Circular to you nor the sale to you of any Debt Securities implies that there has been no change in the matters described herein since the date hereof.

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APPENDICES:

- Audited Financial Statements as of and for the years ended December 31, 2024, 2023, and 2022
- Unaudited Interim Financial Statements

OFFERING SUMMARY

This summary highlights information contained in other parts of this Offering Circular. Before investing, you should review the entire Offering Circular, including the attached independent auditor's report and financial statements as of and for the fiscal years ended December 31, 2024, 2023 and 2022 (the "**Audited Financial Statements**").

The Issuer

The International Pentecostal Holiness Church Extension Loan Fund, Inc. was incorporated in Oklahoma as a not-for-profit corporation on January 21, 1958. Our primary purpose is to assist churches and institutions related to The International Pentecostal Holiness Church, primarily by providing financing for the construction of new churches or the purchase or improvement of existing structures. We refer to ourselves in this Offering Circular as the "Fund" and to The International Pentecostal Holiness Church as the "Denomination." The lending activities conducted through the Fund are financed through the sale of the Debt Securities. See "HISTORY AND OPERATIONS—The Fund," page 12.

The Debt Securities

The Debt Securities are unsecured debt obligations of equal rank with our other unsecured obligations and are not obligations of, or guaranteed by, the Denomination or any of its members. The Debt Securities are not insured by the Federal Deposit Insurance Corporation (FDIC), the Securities Investor Protection Corporation (SIPC), or any other state or federally regulated institution or private insurance company. The Debt Securities are not certificates of deposit or deposit accounts with a bank, savings and loan association, credit union or other financial institution regulated by federal or state authorities. The Debt Securities may not be pledged, assigned or otherwise transferred without our prior written approval except pursuant to the laws of descent and distribution, including the laws governing intestate succession. We are not obligated to redeem the Debt Securities prior to their maturity date, and we may redeem any Debt Security at any time upon 30 days' prior written notice.

Savings Certificates. Savings Certificates are not available for sale in some states—see "STATE NOTICES," beginning on page iii. Savings Certificates are demand notes with a minimum investment amount of \$100 and carry a variable interest rate. Savings Certificates may be purchased with an electronic Automated Clearing House (ACH) transfer with your authorization. You may increase the principal balance of your Savings Certificate by making additional investments in any incremental amount. Principal and accrued interest are payable at any time within 30 days after you send to the Fund a written demand to redeem your Savings Certificate. Interest on the Savings Certificates, which accrues daily, is compounded semiannually at which time it is automatically reinvested or paid to you, depending on the option you select when you invest. See "DESCRIPTION OF THE DEBT SECURITIES—Description of Savings Certificates," page 23. Some states require that we obtain your express approval each time we reinvest your earned interest—see "STATE NOTICES," beginning on page iii. You will have taxable income on interest as it accrues, whether or not it is distributed to you. See "TAX ASPECTS," page 25. We may change the interest rate payable on outstanding Savings Certificates with 30 days' written notice of the new interest rate. The interest rates are set forth on the Rate Sheet currently in effect, which accompanies this Offering Circular and may also be obtained by calling us at 1-800-407-8959.

Fixed Rate Certificates. Fixed Rate Certificates have maturities from six months to 60 months and a minimum investment of \$1,000. Higher interest rates may be available for investments of greater amounts. Fixed Rate Certificates made through a Self-Directed IRA have maturities from 24 months to 60 months and a minimum investment of \$1,000. See "PURCHASE OF FIXED RATE CERTIFICATES THROUGH SELF-DIRECTED IRA," page 25. The interest rates on Fixed Rate Certificates vary depending upon the maturities and amounts invested. Interest on all Fixed Rate Certificates accrues daily and is compounded monthly, at which time it is automatically reinvested or paid to you, depending on the option you select when you invest. You will have taxable income on interest as it accrues, whether or not it is distributed to you. See "TAX ASPECTS," page 25. The interest rates are set forth on the Rate Sheet currently in effect, which accompanies this Offering Circular and may also be obtained by calling us at 1-800-407-8959.

At least 30 days prior to the maturity of any Fixed Rate Certificate, we will provide you with written notice of the impending maturity, pursuant to which you will be given the option to either (i) reinvest the proceeds in a Fixed Rate Certificate or a Savings Certificate at the then-prevailing interest rate (which may be lower than the interest rate on the maturing Fixed Rate Certificate), or (ii) receive payment of the principal and accrued interest at maturity. If you affirmatively elect to reinvest the funds underlying the maturing Fixed Rate Certificate, or if we receive no response on or before the maturity date, the Fixed Rate Certificate will be reinvested. However, holders of Fixed Rate

Certificates purchased in certain states must explicitly tell us in writing if you wish to reinvest the principal and/or interest on your maturing Fixed Rate Certificate, otherwise your Fixed Rate Certificate will be redeemed at maturity. It is our policy to pay promptly to all Investors requesting payment at maturity the outstanding principal and accrued interest as of the maturity date.

Risk Factors

Every securities offering presents certain risks, and you should carefully evaluate this entire Offering Circular, which contains additional information about us, our activities and financial condition, and the risk factors associated with an investment in the Debt Securities. See “RISK FACTORS,” beginning on page 4.

Use of Proceeds

We plan to use the proceeds received from this offering primarily to fund new loans for (i) the purchase, construction or expansion of church facilities, and (ii) the purchase of buildings and land for church use undertaken by member churches and other institutions of the Denomination. The proceeds may also be used for operating expenses. Generally, any funds not employed to make new loans will be invested, provided that if revenues from our loans receivable are less than anticipated and if redemption demands on maturing Debt Certificates exceed our historical experience, it may be necessary to use a portion of the proceeds, along with other available funds, to meet such redemption demands and/or the payment of interest to Investors. See “USE OF PROCEEDS,” page 12.

Management and Governance

Our activities are governed by our Board of Directors. As an Investor in our Debt Securities, you will not participate in the election of directors. The members of the Fund elect the directors, and the members consist of the members of the Council of Bishops of the Denomination, which is the Denomination’s highest governing body when the General Conference is not in session. Our daily operations are directed by three executive officers who are appointed by the Board of Directors. Additional information concerning our executives and directors is set forth under the heading “MANAGEMENT AND GOVERNANCE,” page 27.

Lending Activities

Our primary function is to support the charitable mission of the Denomination by extending loans to member churches and other institutions of the Denomination, which generally are secured by first mortgages or other security. These loans primarily are for the purchase of church properties, construction, renovation or repair of churches, parsonages and related facilities, or the refinancing of such obligations, at interest rates that may be below prevailing commercial loan rates. See “LENDING ACTIVITIES,” page 16.

Financing

We finance our lending activities primarily from the sale of our Debt Securities, interest and dividends earned on our investment portfolio, and principal and interest payments received on our loans to member churches and other institutions of the Denomination. See “FINANCING AND OPERATIONAL ACTIVITIES,” page 13.

From time to time, we may also utilize other sources of immediately available funds, such as a line of credit or other source of credit with a bank or other financial institution. See “FINANCING AND OPERATIONAL ACTIVITIES—Information Regarding Debt Securities—Secured or Senior Debt,” page 14.

How to Invest

The Debt Securities are offered for 100% of their face value, payable in cash at the time of purchase. We do not offer financing terms. To purchase a Debt Security, you should complete and sign the Investment Purchase Agreement that accompanies this Offering Circular and return it to us, together with your payment for the full amount being invested. For questions regarding how to invest in our Debt Securities, you may call us at 1-405-792-7161 or 1-800-407-8959.

You may not invest unless you were, prior to receipt of this Offering Circular, a member of, contributor to (including previous Investors), participant in or other member of the Denomination, the Fund, or any program, activity or organization which constitutes a part of the Denomination or the Fund, or other religious organizations that have a programmatic relationship with the Denomination or the Fund.

Summary Financial Information

The following table is a summary of selected financial highlights of the Fund as of and for the year ended

December 31, 2024. This information is derived from and should be read in conjunction with the more detailed information set forth under “SELECTED FINANCIAL INFORMATION,” page 21, and the Audited Financial Statements and Unaudited Interim Financial Statements attached to this Offering Circular.

	<u>As of and for the year ended December 31, 2024</u>
Cash, cash equivalents and readily marketable securities ⁽¹⁾	\$ 21,319,178
Loans receivable ⁽²⁾	35,129,216
Unsecured loans receivable	-
Unsecured loans as a percentage of gross loans receivable	-
Loan Delinquencies as a percentage of gross loans receivable ⁽³⁾	-
Total assets	\$ 57,528,869
 Total Debt Securities outstanding:	 \$ 47,667,951
Debt Securities redeemed	7,652,343
Secured Senior Indebtedness	-
Net Assets	9,735,048
Change in Net Assets	\$ 622,343

(1) Consisting of cash, money market accounts, and certificates of deposit; interest-bearing investments with other loan funds, corporate debt securities, U.S. Government securities, and other readily marketable debt securities; and mutual funds, exchange-traded funds, and other readily marketable equity securities.

(2) Does not account for subtraction of allowance for credit losses of \$372,986 or deferred loan fees of \$151,348 as of December 31, 2024.

(3) Loan Delinquencies are defined as loan balances on which payments of principal or interest are delinquent 90 days or more, whether in default or not.

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RISK FACTORS

The purchase of Debt Securities involves certain risks. You should carefully consider the following risk factors before making a decision to purchase Debt Securities.

The Debt Securities are unsecured general obligations of the Fund, and Investors will be dependent solely upon our financial condition and results of operations for repayment of principal and interest.

The Debt Securities are unsecured obligations of equal rank with our other unsecured obligations and are neither obligations of, nor guaranteed by, the Denomination or any of its members. In the event of the Fund's inability to meet its financial obligations with respect to the Debt Securities, you must depend solely upon our financial condition for principal repayments and interest payments on the Debt Securities. If we (i) were unable to make new loans, (ii) experienced significant delinquencies on outstanding loans, (iii) failed to obtain authorization to continue the sale of our Debt Securities in those states so requiring, (iv) experienced a major decline in the reinvestment of maturing Debt Securities, or (v) realized significant losses on investments, the amount of income received by us could be reduced below the amount needed to pay interest on the Debt Securities as accrued or to repay the Debt Securities as they mature. See "LENDING ACTIVITIES," page 16.

No sinking fund or trust indenture has been or will be established to ensure or secure the repayment of the Debt Securities.

We have not established any sinking fund or trust indenture to provide for repayment of the Debt Securities. The lack of a sinking fund or trust indenture may adversely affect our ability to repay the principal and interest on the Debt Securities when due. No trustee monitors our affairs on your behalf, no agreement provides for joint action by Investors in the event we default on the Debt Securities, and you do not have the other protections a trust indenture would provide.

Our lending operations and capital raising activities subject us to interest-rate risk.

As an organization that charges interest on the loans we make and that must pay interest on the Debt Securities that provide the major source of funding for our loans, we have interest-rate risk, i.e., the risk that our interest income net of interest on Debt Securities will suffer because of a change in interest rates. Much of this exposure is inherent funding long-term loans with the Debt Securities, which generally have relatively shorter terms, even though we have the ability to reset interest rates on many of our loans. Many of our long-term loans provide for a balloon loan structure based on various amortization periods for one-, three-, five- and seven-year term loans, and we also provide a variable interest rate loan structure with interest rate resets at three, five and seven years based on various periods of amortization. Most of our long-term loans that are not set up on a balloon or variable-rate structure provide that we may re-determine the rate of interest at any time during the term of the loan.

The interest rates set by U.S. financial institutions have a material impact on the interest rates that we pay on the Debt Securities and the interest rates we charge on our loans. Interest rates are generally subject to significant fluctuations depending upon various economic and market factors over which we have no control and which could affect our ability to repay the Debt Securities. The changes in the interest rates we charge on our loans and in the interest rates we pay on our Debt Securities may differ in magnitude and timing. Fluctuations in prevailing rates may adversely affect our financial performance if we are unable to maintain a sufficient spread between the interest rates we pay on our Debt Securities and borrowed funds and the interest rates we receive on our outstanding loans and investments. Changes in interest rates therefore pose a risk of adverse effects on our operating results and financial condition. Following a period of increases in the Federal Reserve's target range for federal funds during 2022 and 2023, the Federal Reserve lowered the target range during the second half of 2024, and has since leveled off during 2025 while scaling back its projections for further rate cuts.

We cannot guarantee that the rates of reinvestment of the Debt Securities that we have experienced in the past will continue; future requests to redeem Debt Securities could exceed our available funds.

It has been our historical experience that a majority of our maturing Fixed Rate Certificates have been extended or reinvested. To the extent that demands for repayment upon maturity of the Debt Securities exceed our prior experience and to the extent that the availability of funds from other sources is not increased, it may have an adverse effect on our financial condition. If prevailing interest rates rise significantly, demands for repayment at maturity of Fixed Rate Certificates and/or redemptions of Savings Certificates may exceed historical averages. See "FINANCING AND OPERATIONAL ACTIVITIES—Information Regarding Debt Securities," page 13. In the event

that Investors do not renew their matured Debt Securities or reinvest funds in amounts consistent with our historical experience, it may be necessary for us to sell a portion of our short-term investment portfolio or to obtain funds from other sources, including borrowings, to meet our current cash needs. There is no assurance that we will be able to obtain funds from other sources in the future.

Current economic volatility could adversely impact our results of operations, reduce demand for our loans or make it more difficult for borrowers to repay loans.

Our success depends to a significant extent upon local and national economic and political conditions, as well as governmental fiscal and monetary policies. Conditions such as inflation, recession, unemployment or labor shortages, changes in interest rates, fiscal and monetary policy, an increasing federal government budget deficit, the failure of the federal government to raise the federal debt ceiling and/or possible future U.S. government shutdowns over budget disagreements, slowing gross domestic product, tariffs, a U.S. withdrawal from or significant renegotiation of trade agreements, escalating international trade disputes and reciprocal tariffs, and other factors beyond our control may adversely affect our sales of Debt Securities, demand for loans, the ability of our borrowers to repay their loans, and the value of the collateral securing loans we make, consumer confidence and GDP growth, unemployment rates and overall market uncertainty. The United States has recently experienced economic volatility and elevated levels of inflation, which, if they continue, could have complex effects on our results of operations and financial condition, some of which could be materially adverse. Inflation-driven increases in non-interest expenses could negatively impact our results of operations, and elevated levels of inflation could also cause increased volatility and uncertainty in the markets we serve, which could adversely affect demand for our loans and the ability of our borrowers to repay indebtedness. As another example, reductions to government funding of various programs and agencies, changes in policy direction, reduction and possible elimination of various federal agencies and bureaus and reduction of the overall federal government workforce may have impacts on the economy as a whole or different regions or segments of the economy or asset classes which are difficult to predict at this time. Accordingly, it is possible that such changes could adversely affect our results of operations and financial condition.

More generally, because our activities are correlated to the general economic outlook, a significant deterioration in that outlook or realization of certain events could have a significant negative impact on the values of our assets, the allowance for credit losses, or our overall financial position and results of operations. The duration and severity of the conditions contributing to economic volatility cannot be estimated with precision.

The Debt Securities are subordinate in ranking and priority in relation to claims of secured creditors.

The Savings Certificates and Fixed Rate Certificates are unsecured debt obligations of equal rank with our previously-issued Debt Securities. If we open a secured line of credit or incur other indebtedness collateralized by some or all of our assets, such indebtedness would have a priority claim against the assets of the Fund over and above the Debt Securities. As a result, the secured lender would have the right to be paid from these pledged assets before you and the rest of our Investors. See “DESCRIPTION OF THE DEBT SECURITIES—Terms Applicable to All Debt Securities (Savings Certificates and Fixed Rate Certificates),” page 22. It is our policy that debt or debt securities incurred or issued by the Fund and secured by assets of the Fund in such a manner as to have a priority claim against any of the assets of the Fund over and above the Debt Securities (“**Senior Secured Indebtedness**”) not exceed 10% of our tangible assets. As of December 31, 2024, we had no Senior Secured Indebtedness. See “FINANCING AND OPERATIONAL ACTIVITIES—Information Regarding Debt Securities—Secured or Senior Debt,” page 14.

The Debt Securities have greater risk because they are not insured by any governmental agency or private insurance company.

Our Debt Securities are not insured by the FDIC, the SIPC, any other state or federal governmental entity or any private insurance company. Risks of investment in the Debt Securities may be greater than implied by the low interest rates paid on the Debt Securities. Therefore, you must look solely to our financial condition and strength for payments of principal and interest on the Debt Securities. See “DESCRIPTION OF THE DEBT SECURITIES,” page 22.

There is no assurance that the Debt Securities will have sufficiently staggered maturities.

If a substantial portion of the Fund’s repayment obligations under the Debt Securities were to come due in a limited period of time, or if a substantial portion of Investors in Savings Certificates demand redemption of their Savings Certificates within a limited period of time, the Fund’s ability to repay Debt Securities that come due during

any given period could be adversely impacted. The Fund is not obligated to limit the amount of debt that may mature in any given year or period.

Our loans are made primarily to member churches and other Denominational institutions, whose ability to repay depends primarily upon the contributions that they receive from their members.

Almost all of our loans have been made to member churches and other institutions of the Denomination. On rare occasions we make loans to nonmember churches in order to sell a church property that we own, and the loan is generally a short-term loan of three years. The ability of these churches and institutions to repay their loans generally will depend upon the contributions they receive from their members. To the extent that any of our borrowers experiences a reduction in contributions, its ability to repay a loan may be adversely affected. Contributions may decline for a variety of reasons, including but not limited to a decline in church membership, the general impact of a softening economy, the status of major employers, demographic shifts in the region in which the borrower is located, other economic difficulties encountered by church members, and/or a decline in the business prospects of donors. The congregations of some of our borrowers are, based on recent practices and demographic patterns, exposed to heightened risk of being targeted by the U.S. Government's immigration enforcement activities, which could adversely affect hinder those churches' ability to repay their loans. These changes may also decrease demand for the Fund's loans. The inability of borrowers to make timely payments on loans and/or any difficulty we experience in originating loans could adversely affect our ability to make interest and principal payments on the Debt Securities. See "FINANCING AND OPERATIONAL ACTIVITIES—Information Regarding Loans—*Loan Delinquencies, Impaired Loans and Troubled Debt Restructuring*," page 15, and Note 3 to the Audited Financial Statements.

The properties securing the loans we make may have impaired value and/or limited marketability.

Although mortgage loans to be made from the Fund will generally be secured by a first mortgage or a deed of trust in favor of the Fund, there is no assurance that in the event of default the foreclosure sale value of the mortgaged properties will be adequate to fully repay any defaulted loan. The mortgaged properties, which are primarily churches and related structures, may be single-use facilities and may have limited alternate uses and a ready market may not be available. Furthermore, real property values may decline due to general and local economic conditions, increases in operating expenses, changes in zoning laws, casualty or condemnation losses, regulatory limitations on rents, changes in neighborhoods and demographics, increases in market interest rates, or other factors. The various security interests established under our mortgages and deeds of trust may be subject to other claims and interests, such as statutory liens; tax liens or other governmental claims; constructive trusts or equitable liens imposed or conferred by any state or federal court; and bankruptcy or receivership laws affecting amounts earned by the borrower after institution of bankruptcy or receivership proceedings by or against the borrower. A declining real estate market could depress the value of our loan collateral or delay or limit our ability to dispose of the collateral and increase the possibility of a loss following foreclosure. These factors could impair our ability to meet our obligations to Investors.

Our foreclosed assets held for sale could produce little to no income and could decrease in value.

Our foreclosed properties being held for sale produce little to no income for the Fund. While the Fund actively markets its foreclosed properties held for sale, the length of time a foreclosed property stays on the market is uncertain. Foreclosure proceedings are time-consuming, and if a default and foreclosure occur, there may be substantial periods of time during which we receive no payments on the mortgaged property. The actual sale price of a foreclosed property could be less than what the foreclosed property is recorded at on our statement of financial position, thus resulting in a loss on the sale of a foreclosed property. Our foreclosed properties could decrease in value due to market conditions causing the foreclosed properties to be written down on our statement of financial position and thus causing a decrease in our net assets. The Fund does enter into lease agreements for some of its foreclosed properties, but the rental income could be less than the income produced from the same property with an active loan. Some of our foreclosed properties produce no income at all until we are able to sell the property and use the proceeds to make additional loans. Our foreclosed properties incur expenses, which include, without limitation, insurance, property taxes, maintenance and repairs. These expenses in turn reduce our net assets. See "FINANCING AND OPERATIONAL ACTIVITIES—Information Regarding Loans—*Loan Delinquencies, Impaired Loans and Troubled Debt Restructuring*," page 15, and Note 3 to the Audited Financial Statements.

Our loan policies are less stringent than loan policies of commercial lenders.

OUR RELATIONSHIP TO OUR BORROWERS CANNOT BE COMPARED TO THAT OF A TYPICAL COMMERCIAL LENDER. We may make loans to borrowers who are unable to secure financing from commercial sources. In view of our relationship with our borrowers, we commonly make exceptions to our lending policies, at our discretion, when a particular borrower's circumstances warrant such deviation. In the past, we have been willing to accommodate partial, deferred or late payments, or to restructure or refinancing outstanding loans in situations where a typical commercial lender may not. For loans secured by property that does not have a readily ascertainable market value, we accept a number of valuations, which may include formal appraisals of the borrower's underlying real property. Accordingly, it is possible that the value of a specific secured property is less than we believe and that the amount outstanding with respect to a specific loan could exceed the value of the property securing it. While we typically do conduct a site inspection for loans of significant size, there can be no assurance that we will in all cases. Finally, we do not typically conduct a comprehensive environmental inspection before approving a loan and the existence of environmental pollution or other contamination could, in some cases, result in lender environmental liability for us or impair our security for the loan. See "LENDING ACTIVITIES—Loan Policies," page 17.

Our interest in some outstanding loans receivable is a participation interest in another lender's loan, which entails certain repayment and collateral risks.

We may purchase a participation interest in a loan and by doing so acquire some or all of the interest of a bank or other lending institution in a loan to a borrower. A participation interest typically will result in our having a contractual relationship only with the lender, not the borrower. As a result, our interest in the loan is subject to the credit risk of the lender selling the participation in addition to the credit risk of the borrower. By purchasing a participation interest, we would typically have the right to receive payments of principal, interest and any fees owed on the loan only from the lender selling the participation and only upon receipt by the lender of the payments from the borrower. In the event of insolvency or bankruptcy of the lender selling the participation, we may be treated as a general unsecured creditor of the lender and may not have a senior claim to the lender's interest in the loan. If we only acquire a participation in the loan made by a third party, we may not be able to control the exercise of any remedies that the lender would have under the loan. There can be no assurance that the principal and interest owed on the loan will be repaid in full.

You do not have the right to demand early redemption of the Debt Securities.

We are not obligated to redeem the Debt Securities until their maturity. Consequently, you may be unable to redeem your Debt Security in the event of an emergency, if interest rates rise on comparable investments, or for any other reason. You should, therefore, view the purchase of a Debt Security as an investment for the full term of the security. See "DESCRIPTION OF THE DEBT SECURITIES," page 22.

We have the right to redeem the Debt Securities prior to their maturity, which may operate to your disadvantage.

We may redeem any Debt Security at any time upon 30 days' prior written notice. If we exercise this right at a time when prevailing interest rates are falling, you may not be able to reinvest your funds on the same terms or with an investment earning the same interest rate as the redeemed Debt Security.

No public market exists for the Debt Securities and the transferability of the Debt Securities is limited and restricted.

The Debt Securities cannot be assigned, pledged or otherwise transferred or encumbered without our written approval, except pursuant to the laws of descent and distribution. In addition, the securities laws of certain states impose conditions on the transfer of the Debt Securities. There is no quoted public market for the Debt Securities, and it is highly unlikely that a market will develop. Further, we are not obligated to repurchase the Debt Securities prior to their respective maturities. Therefore, you should view the purchase of a Debt Security as an illiquid investment to be held for the Debt Security's full term.

There are no income tax benefits with respect to a charitable deduction for an investment in the Debt Securities and interest paid or payable on the Debt Securities is taxed as ordinary income regardless of whether interest is received by you or retained and compounded by us.

You will not receive a charitable deduction for the purchase of these Debt Securities. Generally, for U.S. federal income tax purposes, interest earned on the Debt Securities will be currently taxable as your ordinary income

regardless of whether the interest is paid out to you or retained by us and added to the Debt Security as principal. You may have additional taxable income imputed to you if you invest or loan more than \$250,000 with or to us and if the interest paid to you is below the applicable federal rate. Additionally, changes made to the tax laws could have an adverse effect on the ownership of Debt Securities. Investors should consult their own tax advisors regarding their specific circumstances, including for state, local, international or other considerations. See “TAX ASPECTS,” page 25.

Our affiliation with the Denomination could expose us to liability for claims against the Denomination.

We are a separate legal entity from the other entities that comprise the Denomination and, therefore, are not generally liable for claims against any Denominational institution. It is possible, however, that in the event of claims against the Denomination or its institutions, the claimants might contend that we also are liable. If a claim like this were upheld, our financial condition and ability to repay the Debt Securities could be negatively affected.

Our assets are subject to concentration of credit risk.

As of December 31, 2024, our three (3) largest borrowers had respective outstanding loan balances of \$2,705,868, \$2,656,947, and \$2,289,318 which represented 7.82%, 7.68%, and 6.62%, respectively, of our total outstanding loans. No other borrower had an outstanding loan that exceeded 5% of the aggregate principal balance of our outstanding loans. Our aggregate loans in the following states exceeded 10% of total loans as of December 31, 2024 (net of participations):

<u>State</u>	<u>Number of Borrowers</u>	<u>Principal Outstanding</u>	<u>Percent of Loan Portfolio</u>
California	9	5,957,952	16.96%
Virginia	16	5,076,293	14.45%
Florida	13	4,880,045	13.89%
Oklahoma	19	4,118,667	11.72%
<u>Total (four states)</u>	<u>57</u>	<u>\$ 20,032,957</u>	<u>57.02%</u>

The concentration of loans in one or more states or regions increases the risk that adverse economic conditions in those areas could adversely affect collections on loans in that area, which could adversely affect our ability to repay the Debt Securities. We do not have any geographic limitations on loans made within the United States, nor any policy limiting the geographic concentration of our loans.

We also have deposits held in excess of federal deposit insurance limits, which subjects us to additional concentration of credit risks. As of December 31, 2024, we had cash and cash equivalents held in accounts that exceeded federally insured limits by approximately \$12,447,000.

Our borrowers may be subject to risks associated with construction.

Our borrowers often use our loans to construct new facilities or renovate existing facilities. While none of the principal of our loan originations during 2024 was used to finance construction projects, which are riskier than loans made to finance existing properties, we do from time-to-time make such loans. Our five-year average of such loans is approximately 6.0% of total loan disbursements. Loans for construction or renovation are exposed to certain risks, including but not limited to stoppages, delays, or slowdowns in construction; failure or degradation of utilities or equipment; inability to find, or cost overruns associated with, suitable building materials, equipment or labor; costs associated with environmental and other regulations; and the effects of economic slowdowns or legal challenges. If any of these risks associated with construction and renovation are realized, they could adversely affect a borrower’s ability to repay its loan by increasing construction costs or delaying or preventing completion of the project, and their failure to repay their loan could adversely affect our ability to repay the Debt Securities. See “LENDING ACTIVITIES” beginning on page 16.

The value of the collateral securing our loans could be reduced by environmental risks and liabilities.

We do not typically conduct an environmental audit or any environmental-specific due diligence before approving a loan. If environmental contamination is found on or near property securing a loan, our security for the loan could be impaired. Under various environmental laws and regulations, an owner or operator of real estate may be required to investigate and clean up hazardous substances released at the property, and may be held liable for property damage and for analysis and remediation costs, which may be significant. This may adversely affect the

owner's ability to sell or rent the property or to borrow using the property as collateral. In addition, some environmental laws create a lien on the contaminated site in favor of the government for damages and costs incurred in connection with the contamination. Persons who arrange for disposal or treatment of hazardous substances may also be liable for the costs of removal or remediation of these substances at the disposal or treatment facility. Finally, the owner of a site may be subject to common law claims by third parties based on damages and costs resulting from environmental contamination emanating from a site. If we are deemed to have participated in management of the property at issue, fail to conduct all appropriate inquiry prior to a foreclosure, or do not fall within certain statutory safe harbors following a foreclosure, we could be subject to lender liability for these same things.

We invest a portion of our liquid assets in securities that expose us to investment risks.

Some of our liquid assets are invested in securities, which are subject to various investment risks that may result in losses. Sudden declines could materially reduce our liquid assets and cause a reduction in our net assets. See "INVESTING ACTIVITIES—Investment Policy," page 19. Past performance does not indicate how our investments will perform in the future.

Security Specific Risks:

- **Money Market Risk.** Although a money market fund is designed to be a relatively low-risk investment, it is not free of risk. Despite the short maturities and high credit quality of a money market fund's investments, increases in interest rates and deteriorations in the credit quality of the instruments the money market fund has purchased may reduce the money market fund's yield and can cause the price of a money market security to decrease. In addition, a money market fund is subject to the risk that the value of an investment may be eroded over time by inflation.
- **Debt Securities Risk.** The issuers of debt instruments in which we may invest may default on their obligations to pay principal or interest when due. This non-payment would result in a reduction of income to us, a reduction in the value of a debt instrument experiencing non-payment and, potentially, a decrease in our profitability and our ability to pay interest and principal due on Debt Securities. Some of the debt securities in which we invest, including investments in other loan funds, are not rated by any credit rating agency and do not have a secondary market for resale of the securities. To the extent that any credit rating assigned to a security in our investment portfolio is downgraded, the market price and liquidity of that security may be adversely affected. When market interest rates rise, the market value of debt instruments generally will fall.
- **Equity Securities Risk.** The value of equity securities held by us may fall due to general market or economic conditions, perceptions regarding the industries in which the issuers of such securities participate, changes in interest rates, and the particular circumstances and performance of particular companies whose securities we hold. An adverse event, such as an unfavorable earnings report, may depress the value of a particular equity security we hold. The price of an equity security may be particularly sensitive to general movements in the stock market, or a drop in the stock market may depress the price of most or all of the equity securities we hold. In addition, equity securities may decline in price if the issuer fails to make anticipated distributions or dividend payments. A reduction in the value of an equity security we hold or a failure to make an anticipated distribution or dividend payment could result in a decrease in our profitability and our ability to pay interest and principal due on Debt Securities.

Our Investors are concentrated, both geographically and by amounts invested.

As of December 31, 2024, approximately 71% of our outstanding Debt Securities balances were sold to Investors located in three states: Oklahoma (34%), Virginia (23%), and North Carolina (14%). Declining economic conditions in these states could negatively affect the rate at which those residents reinvest and our ability to raise funds through the sale of additional Debt Securities. In addition, approximately 42.79% of our outstanding Debt Securities were held as of December 31, 2024 by Investors who have a Debt Security with a balance of at least \$500,000. As of December 31, 2024, the Denomination held approximately 14.89% of the total outstanding Debt Securities, one other investor held approximately 5.97%, and no other Investor held in excess of 5% of total outstanding Debt Securities at such date. Unusually large redemptions by Investors holding significant amounts of Debt Securities could adversely affect our liquidity and other aspects of our operations. See Note 5 to the Audited Financial Statements.

Our remedies as a lender are subject to limitations and borrower protections imposed under applicable bankruptcy and other laws.

Our remedies as a creditor upon default by any of our borrowers will be subject to various laws, regulations and legal principles that provide protections to borrowers. Our legal and contractual remedies, including those specified in our loan agreements and collateral documents, typically require judicial actions, which are often subject to discretion and delay. Under existing laws (including, without limitation, the Federal Bankruptcy Code), the remedies specified by our loan agreements and collateral documents may not be readily available or may be limited. A court may refuse to order the specific performance of the covenants contained in the loan agreements and collateral documents. In addition, the laws of a particular jurisdiction may change or make it impractical or impossible to enforce specific covenants in the loan agreements and collateral documents.

Our collateral may be impaired.

The various security interests established under our mortgages and deeds of trust may be subject to other claims and interests. Examples of these claims and interests are statutory liens; rights arising in favor of the United States or any agency thereof; constructive trusts or equitable liens imposed or conferred by any state or federal court; and bankruptcy or receivership laws affecting amounts earned by the borrower after institution of bankruptcy or receivership proceedings by or against the borrower.

In addition, the Fund may make certain loans to borrowers secured by collateral other than mortgage liens or deeds of trust, including investment securities, guaranties of persons or entities affiliated with the borrowers, and liens on vehicles, equipment, furniture, and other tangible assets, some of which may already be subject to higher-priority liens. See “LENDING ACTIVITIES—Loan Policies—*Collateral Qualifications*,” page 17. If the Fund were to have to seize any such assets to satisfy a borrower’s loan, the market value of the assets may not be sufficient to recover the entire outstanding balance.

We may make changes or exceptions to our operations, policies and procedures.

We are not obligated to continue offering Debt Securities, or to continue our current operations, policies and procedures, or our existence as a not-for-profit entity. Any such change in our operations could have a negative impact on our ability to pay principal or interest on the Debt Securities. The description of our policies and procedures in this Offering Circular, including our lending and investment policies, reflects our practices as of the date of this Offering Circular and is not indicative of the policies and procedures we followed in the past or may adopt in the future. We may adjust, amend, waive, deviate from or allow exceptions to the Fund’s policies at any time with respect to any particular matter.

The failure to comply with applicable state securities laws could result in monetary penalties, damages or payments for rescission that could affect our ability to make payments on the Debt Securities.

Securities issued by not-for-profit religious organizations are exempt from the registration requirements of the Securities Act of 1933, as amended. At the state level, the regulations vary on a state-by-state basis, and we are not authorized to offer and sell the Debt Securities in some states. Additionally, although we are currently taking the necessary steps to comply with the securities laws of the states in which we offer and sell securities, there is no guarantee that we will do so in every state. The failure to comply with state securities laws could expose us to potential penalties and civil liability under those state securities laws, which could affect our ability to make payments on the Debt Securities.

Future changes in federal or state securities laws, policies or practices could make it more difficult for us to sell our Debt Securities.

Changes in state or federal laws, rules, or requirements regarding the sale of debt obligations of charitable or other non-profit organizations, or the policies, practices and procedures under which regulators review registration materials or applications for exemptions, may limit or eliminate our ability to offer and sell Debt Securities in some states in the future. If we do not continue to qualify our Debt Securities in any particular state, Investors in that state may not be able to reinvest their Debt Securities at maturity or purchase new Debt Securities.

Similarly, a loss of our tax exemption as a charitable organization described under Section 501(c)(3) of the Internal Revenue Code would adversely affect us by disqualifying us from utilizing certain registration exemptions under the securities laws, subjecting our income to federal income taxes, and making donations to us ineligible for a

deduction for federal income tax purposes. A loss of federal tax-exempt status may also impact our state tax exemptions. Any change to our tax-exempt status would adversely impact our results of operations and ability to repay the Debt Securities.

We expect to sell Debt Securities in this and other offerings.

The total amount of \$65,000,000 in Debt Securities (including up to \$8,000,000 in Savings Certificates) to be sold in this offering is not a limitation on the amount of Debt Securities we may sell in this and other offerings we may conduct at any time. We have sold our Debt Securities in prior years and anticipate that we will continue to sell additional Debt Securities as part of a continuous offering process.

Our operations are dependent upon certain technology, cybersecurity and services provided by third party vendors.

The majority of our business records are stored and processed electronically, including records of our loans receivable, Debt Securities payable, investment and loan applications, and most other business records. We rely to a certain extent upon third party vendors for providing hardware, software, and services for processing, storing, securing and delivering information, and for website services. Our electronic records include confidential Investor information and proprietary information regarding our operations. Electronic data processing, storage, security and delivery have inherent risks such as the potential for hardware failure, virus or malware infection, input or programming errors, inability to access data when needed, permanent loss of data, unauthorized access to data or theft of data. Global cybersecurity threats and incidents are rapidly evolving and can range from uncoordinated individual attempts to gain unauthorized access to information technology (IT) systems to sophisticated and targeted measures known as advanced persistent threats, directed at us and/or our third-party service providers. While we and our vendors take measures to prevent, detect, address and mitigate these risks (including access controls, employee training, data encryption, vulnerability assessments, continuous monitoring of our IT networks and systems and maintenance of backup and protective systems), it is possible that these measures will not be completely effective and that there may be other risks that have not been identified because they are different or unknown or that may emerge in the future. If we were to experience large-scale data inaccuracy, inability to access data for an extended time period, permanent loss of data, data breach, failure of vendors to perform as contracted, or other significant issues regarding data, it could adversely affect all aspects of our operations. The potential consequences of a material cybersecurity incident include disruption of all aspects of our operations, damage to hardware or software systems, reputational damage, litigation with third parties and increased cybersecurity protection and remediation costs, including payment of ransom demands, which in turn could have a material adverse effect on us, our results of operations and our ability to repay the Debt Securities as and when due.

An investment through an Individual Retirement Account (IRA) is subject to certain risks.

We make our Debt Securities available for investment through a self-directed IRA, but there are certain risks and considerations involved in investing in self-directed IRAs. Investors considering an investment through their IRA should consider, at a minimum, (a) whether the investment is in accordance with the documents and instruments governing the IRA, plan or other account, (b) whether the investment satisfies the fiduciary requirements associated with the IRA, plan or other account, (c) whether the investment will generate unrelated business taxable income to the IRA, plan or other account, (d) whether there is sufficient liquidity for that investment under the IRA, plan or other account, (e) the need to value the assets of the IRA, plan or other account annually or more frequently, (f) whether the investment would constitute a non-exempt prohibited transaction under applicable law, (g) whether and the extent to which the IRA will be subject to maximum contribution limits and/or required minimum distributions, and (h) whether the custodian will apply any fees to the account through which an investment in the Debt Securities will be made, including fees for opening, maintaining or terminating the IRA, fees applicable to certain transactions involving the Debt Securities, paper statement fees, or other fees. Consultation with the investor's own financial and tax adviser is recommended.

Forward-Looking Statements

Certain sections of this Offering Circular contain forward-looking statements based on management's expectations, estimates, projections and assumptions. Words such as "anticipates," "believes," "estimates," "expects," "intends," "is likely to," "plans," "scheduled," and other such expressions are intended to identify forward-looking statements, which include but are not limited to projections of revenues, income, cash flows, and other financial items. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict.

Accordingly, actual future results and trends may differ materially from what is forecasted in forward-looking statements. All forward-looking statements speak only as of the date of this Offering Circular. The Fund does not update or revise forward-looking statements to reflect circumstances or changes in expectations after the date of this Offering Circular.

HISTORY AND OPERATIONS

The Fund

The Fund was incorporated on January 21, 1958 as an Oklahoma not-for-profit corporation. We are organized to assist the International Pentecostal Holiness Church (the “**Denomination**”) and its member churches, Conferences, and other institutions, primarily by financing the construction, purchase and renovation of church buildings, in furtherance of its mission of evangelism. We do this by issuing and selling our Debt Securities, the proceeds of which, together with the interest and dividends earned on our cash and investments and the principal and interest payments received on our outstanding loans, provides the funding for our ongoing lending activity to member churches and other institutions of the Denomination. We may also from time to time perform bookkeeping, consulting services and other technical assistance to ministries affiliated with the Denomination.

Because we are organized and operated exclusively for religious, educational, charitable and benevolent purposes, we are a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “**Code**”). As a nonprofit corporation we have no stockholders, but we are affiliated with the Denomination by our common religious faith and by virtue of the fact that our Board of Directors is selected by the highest governing body of the Denomination. However, although we have close ties to the Denomination, and our primary purpose is to support its mission of evangelism, we are organized and operated as a separate legal entity distinct from the Denomination. For information concerning organizational matters, see “MANAGEMENT AND GOVERNANCE,” page 27.

The debts and liabilities incurred by us with respect to the Debt Securities are independent of the financial structure of the Denomination or any member Conferences, subsidiaries or other related entities; thus, such entities will have no legal obligation with respect to the Debt Securities. Moreover, the Debt Securities, which provide general obligation funding for lending activities, are not specifically secured by particular loans to specific borrowing entities. See “RISK FACTORS—*The Debt Securities are unsecured general obligations of the Fund, and Investors will be dependent solely upon our financial condition and results of operations for repayment of principal and interest,*” page 4.

The Denomination

The Denomination is a historic Pentecostal denomination that traces its beginnings back to 1898. With roots in the midwestern and southeastern United States, predecessors of the Denomination have played a significant role in the Holiness-Pentecostal revival movements of the late nineteenth and early twentieth century.

The Denomination is comprised of approximately 1,650 church congregations across the United States. The missions and ministries of the Denomination are supported through tithing by the ministers and the congregations, as well as by free will offerings. In addition, the Denomination is affiliated with several colleges and benevolent homes throughout the United States and in other countries.

USE OF PROCEEDS

If this offering is fully subscribed, the proceeds from the sale of the Debt Securities will equal an aggregate principal amount of \$65,000,000. We add the proceeds received from the sale of the Debt Securities to our general funds. We primarily use our general funds to make loans to member churches and other institutions of the Denomination to finance (i) the purchase, construction or expansion of church facilities, and (ii) the purchase of buildings and land for church use in the United States. Our general funds are also used for our operating expenses. In the normal course of our operations, we make new loan commitments based upon the availability of funds. We may use the proceeds of this offering to fund some portion of these loans in process and loan commitments.

Generally, any funds not employed to make new loans will be invested to maintain a liquid reserve in accordance with our policy to keep a balance of Liquid Assets greater than or equal to 10% of the aggregate outstanding principal balance of our Debt Securities. Proceeds may be invested in certain short-term investments, primarily money market, certificates of deposit, treasury bills, and debt and equity securities. However, if revenues

from our loans receivable are less than anticipated, or if redemption demands on maturing Debt Certificates exceed our historical experience, then it may be necessary to use a portion of the proceeds, along with other available funds, to meet such redemption demands and or the payment of interest to our Investors. See “FINANCING AND OPERATIONAL ACTIVITIES—General,” page 13.

No underwriters are participating in this offering and we do not pay any underwriting discounts or commissions in connection with the sale of the Debt Securities. Sales of the Debt Securities will be effected solely through our executive officers, who will receive no commissions, fees or other special remuneration for or in connection with such sales. All expenses of this offering, including printing, mailing, attorneys’ fees, accountants’ fees, and securities exemption, registration or filing fees will be borne by the Fund from our general operating revenue. We estimate that the aggregate amount of such expense will not exceed \$100,000 (approximately 0.15% of the aggregate offering amount).

FINANCING AND OPERATIONAL ACTIVITIES

General

Our ability to conduct our lending activities and to repay principal and interest on our outstanding Debt Securities is dependent upon our financial condition and the monies available to us. Our primary sources of funds include monies received from the sales of new Debt Securities and income generated from our outstanding loans and other investments. In addition, we may from time to time purchase or sell loan participations to institutions of the Denomination or unaffiliated parties such as commercial lenders. Historically, we have been able to meet principal and interest requirements on our outstanding Debt Securities from our available funds. In the following sections, we summarize our financing and operational activities.

Information Regarding Debt Securities

Outstanding Debt Securities

As of December 31, 2024, our Savings Certificates had aggregate principal balance of \$2,975,873 and a weighted-average interest rate of 1.24%. Principal and accrued interest on any Savings Certificate are payable at any time within 30 days after the Fund receives an Investor’s demand to redeem a Savings Certificate. The following table describes our outstanding Fixed Rate Certificates as of December 31, 2024:

Type of Debt Security	Weighted-Average Interest Rate	Maturing in 2025	Maturing in 2026	Maturing in 2027	Maturing in 2028	Maturing in 2029	Aggregate Principal Balance
Fixed Rate Certificate ⁽¹⁾	3.76%	\$29,704,531	8,040,908	2,645,889	664,836	673,325	\$ 41,729,489
IRA Fixed Rate Certificate ⁽²⁾	3.32%	1,229,417	926,262	576,702	112,169	118,039	2,962,589
Total	3.576%	\$30,933,948	8,967,170	3,222,591	777,005	791,364	\$ 44,692,078

⁽¹⁾ Terms of six to 60 months bearing interest at 0.75% to 4.99%.

⁽²⁾ Terms of 24 or 60 months bearing interest at 0.75% to 4.47%.

Sales and Redemptions of Debt Securities

In the calendar year ended December 31, 2024, we raised \$29,363,738 through sales of our Debt Securities, of which \$19,600,625 (not including interest which accrued and was compounded) was attributable to reinvestment or rollovers of the principal amounts of maturing Debt Securities, \$8,348,201 was attributable to sales of new Debt Securities, and \$1,414,912 was attributable to reinvestment of interest by holders of Debt Securities on the same or new terms. During 2024, we paid \$7,652,343 in connection with Debt Securities that were redeemed and not immediately reinvested. Of that amount, \$553,104 was paid in connection with Debt Securities held by Denominational Accounts.

Renewals

It has been our historical experience that a significant percentage of the principal balance of maturing Fixed Rate Certificates is rolled over or reinvested by Investors. For the last three years, the average rate of reinvestment of

our Fixed Rate Certificates was approximately 82%, with the following reinvestment rate for each year as shown in the following table:

<u>Year</u>	<u>Reinvestment Rate of Maturing Fixed Rate Certificates (Principal Only)</u>
2024	84%
2023	82%
2022	79%

Over the same period, the three-year average rate of reinvestment of the interest earned on all of our Debt Securities (including interest earned on Savings Certificates) was approximately 84%, with the following reinvestment rate for each year as shown in the following table:

<u>Year</u>	<u>Reinvestment Rate of All Certificates (Interest Only)</u>
2024	88%
2023	83%
2022	82%

While our historical experience indicates that a large portion of the principal balance of maturing Fixed Rate Certificates is reinvested and that a large portion of interest earned on all Debt Securities is reinvested, we cannot guarantee that our historical pattern of reinvestment will continue. See “RISK FACTORS—*We cannot guarantee that the rates of reinvestment of the Debt Securities that we have experienced in the past will continue; future requests to redeem Debt Securities could exceed our available funds,*” page 4.

Secured or Senior Debt

Senior Secured Indebtedness is any obligation of the Fund secured by assets of the Fund in such a manner as to have a priority claim against the assets of the Fund over and above the Debt Securities. See “RISK FACTORS—*The Debt Securities are subordinate in ranking and priority in relation to claims of secured creditors,*” page 4. It is our policy not to enter into any obligation if doing so would, at that time, cause all Senior Secured Indebtedness to exceed 10% of our tangible assets. As of December 31, 2024, the Fund had no Senior Secured Indebtedness.

Information Regarding Loans

Outstanding Loans

Our loans receivable, net of allowance for credit loss, were \$34,604,882, \$35,170,540, and \$36,998,038, as of December 31, 2024, 2023, and 2022, respectively. The number of loans outstanding, the weighted average interest rate and gross principal balance (i.e., before adjusting for credit loss allowance) on such loans were as follows:

<u>As of December 31,</u>	<u>Number of Loans</u>	<u>Weighted Average Interest Rate</u>	<u>Aggregate Principal Balance</u>
2024	138	6.59%	\$ 35,129,216
2023	142	5.93%	\$ 35,753,327
2022	156	5.64%	\$ 38,280,455

The following is a description of our loan activity for the periods indicated:

	<u>For the Year Ended December 31,</u>		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Interest income	\$ 2,235,175	\$ 2,177,085	\$ 2,158,622
Principal repayments	\$ 3,966,089	\$ 8,804,686	\$ 7,373,388
Loan originations	\$ 3,368,818	\$ 6,621,400	\$ 7,759,010

As of December 31, 2024, the gross aggregate principal balance on our loans receivable was \$35,129,216, which reflects a decrease of \$624,111, or approximately 1.75%, compared to the previous year. As of December 31, 2024, our three (3) largest borrowers had respective outstanding loan balances of \$2,705,868, \$2,656,947, and \$2,289,318 which represented 7.82%, 7.68%, and 6.62%, respectively, of our total outstanding loans. No other borrower had an outstanding loan that exceeded 5% of the aggregate principal balance of our outstanding loans.

As of December 31, 2024, we had one (1) loan under which we have sold a participation interest to others, with this loan totaling approximately \$5,451,805 in aggregate outstanding principal amount, with respect to which approximately \$2,641,786 (or 7.52% of our total outstanding loans receivable) was recorded on our statement of financial position. A loan fund affiliated with the Denomination is a participating lender in the loan. See “LENDING ACTIVITIES—Loan Participation,” beginning on page 19.

Loan Delinquencies, Loan Modifications and Allowance for Credit Losses

As of December 31, 2024, none of our loans had interest and/or principal payments that were delinquent for 90 days or more, whether in default or not (“**Loan Delinquencies**”). As of December 31, 2023, we had no Loan Delinquencies. As of December 31, 2022, Loan Delinquencies had an aggregate principal balance of \$376,660, which represented approximately 0.98% of the aggregate principal balance of \$38,280,455 in total outstanding loans as of December 31, 2022. We rely upon the payments of interest and principal from our loans to meet our liquid reserve needs and to generate funds to repay the Debt Securities as they mature and our other obligations. Loan Delinquencies reduce the amount of interest income and principal payments we receive from our loans and could adversely affect our ability to pay interest on the Debt Securities as accrued or to repay the Debt Securities as they mature.

Due to the nature of our relationship with our borrowers, we are often willing to make accommodations with borrowers whose payments are not current, so long as those accommodations do not unduly jeopardize the interest of our Investors. Due to this unique relationship, our delinquency, modification and foreclosure experience cannot be compared with that of a commercial lender. During 2024, three loans totaling approximately \$2,391,000 (as of December 31, 2024) were modified to allow for reduced principal repayments. During 2024, we acquired no additional assets through, or in lieu of, foreclosure on properties securing our outstanding loans. As of December 31, 2024, we held foreclosed assets for sale or for lease totaling \$617,285.

Collateral-dependent loans are those where we expect to receive repayment primarily or solely from the sale or operation of the underlying collateral, rather than the borrower’s typical cash flows. Appraisals of the collateral underlying collateral-dependent loans are obtained when the loan is determined to be collateral-dependent and subsequently as deemed necessary by management. The Fund considers the appraisal or evaluation as the starting point for determining fair value, subtracts the estimated cost to sell, and considers other factors that may affect the fair value. As of December 31, 2024, we had \$982,041 in total outstanding collateral-dependent loans.

The Fund establishes and adjusts an allowance for credit losses based on an estimate of expected losses over the life of the loan, through a provision (or benefit) for credit losses charged to income. Credit losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance. Groups of loans with similar risk characteristics are collectively evaluated. Loans that do not share risk characteristics are evaluated on an individual basis. Loans with similar risk characteristics are grouped into two segments for analysis: one for loans secured by real estate, and one for other loans (which are generally secured by the borrower’s outstanding Certificates). A weighted average remaining maturity (WARM) model is utilized for each segment and the results are aggregated at the segment level. The WARM model uses historical losses, as adjusted for reasonable and supportable forecast expectations, and applies those adjusted loss rates to the effective term of the loan portfolio.

The following table summarizes our allowance for credit losses for the last three (3) fiscal years:

	2024	2023	2022
Allowance for Credit Losses, beginning of year	\$ 409,878	\$ 1,032,748	\$ 1,055,150
Provision (benefit) for credit losses	(36,892)	(692,726)	(22,402)
Charge-offs	-	-	-
Recoveries	-	-	-
Impact of adoption of ASC 326	-	69,856	-
Allowance for Credit Losses, end of year	<u>\$ 372,986</u>	<u>\$ 409,878</u>	<u>\$ 1,032,748</u>

Prior to our adoption of updated accounting standards regarding credit losses (ASC 326), the allowance for credit losses was determined based on management’s subjective evaluation of the collectability of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower’s ability to repay, estimated value of any underlying collateral, and prevailing economic conditions.

A loan was considered impaired under these standards when, based on current information and events, it was probable we would be unable to collect all amounts due from the borrower in accordance with the contractual terms

of the loan. As of December 31, 2022, we had impaired loans with a total unpaid principal balance of \$4,149,760 (or approximately 10.8% of total loans outstanding). Impaired loans include nonperforming loans but also include loans modified in troubled debt restructurings where concessions have been granted to borrowers experiencing financial difficulties. These concessions could include a reduction in the interest rate on the loan, payment extensions, forgiveness of principal, forbearance or other actions intended to maximize collection. As of December 31, 2022, we had approximately \$3,921,000 (or approximately 10.2% of total loans outstanding) of loans that were modified in troubled debt restructurings and impaired, of which \$3,544,000 were accruing interest as of such dates.

For more information regarding Loan Delinquencies, loan modifications, collateral-dependent loans, the allowance for credit losses, and the impact of adopting accounting standard ASC 326, see Notes 1, 3 and 7 to the Audited Financial Statements.

Interest Rate Spread

We have maintained a positive interest rate spread for each of the last five years, with interest income on our loans exceeding interest expense paid on our Debt Securities, as shown in the following table:

	2024	2023	2022	2021	2020
Interest income on loans	\$ 2,235,175	\$ 2,177,085	\$ 2,158,622	\$ 2,160,177	\$ 2,149,648
Interest expense on Debt Securities	1,610,021	1,239,973	1,103,637	1,077,362	1,097,319
Net interest income	<u>\$ 625,154</u>	<u>\$ 937,112</u>	<u>\$ 1,054,985</u>	<u>\$ 1,082,815</u>	<u>\$ 1,052,329</u>

There is no assurance that we will continue to be able to maintain a positive interest rate spread, which is important to our financial condition and results of operations. See “RISK FACTORS—Our operations are subject to interest-rate risk,” page 4.

LENDING ACTIVITIES

General

The Fund is a charitable organization whose charitable mission is to provide loans in aid to churches and other institutions affiliated with the Denomination. In furtherance of that charitable purpose, we commonly work with potential and existing borrowers to reach a mutually satisfactory funding solution. As is common for all church extension loan funds, we do not operate like a typical commercial lender and frequently act in a more generous, understanding and flexible manner in our lending practices, including by making exceptions to our loan policies when circumstances warrant. This fundamental nature of the Fund entails certain risks to purchasers of our Debt Securities; for more information, see “RISK FACTORS,” beginning on page 4.

Loan Products Available

We offer several loan products, although the longest amortization timeframe that will generally be considered is 20 years. Available loan products include:

- Fixed-rate, fully amortized loans with terms of 10, 15, or 20 years.
- Fixed-rate balloon loans with various terms of up to 20 years.
- Adjustable-rate loans with various terms of up to 20 years, where rates are fixed for three, five or seven years before being adjusted.

For construction loans, the church can elect to pay interest only on the amount of funds drawn until the construction is complete. At that time, regular amortized payments will begin. See “Loan Policies—Construction Loans,” below.

Loan Processing and Approvals

We receive requests for loans from member churches, other institutions of the Denomination, and other potential borrowers. The Fund generally evaluates loan applications are generally evaluated in the order they are received and after the borrower provides a complete application with all required information and accompanying documentation. The Board of Directors has authorized the approval of loans as follows:

Type of Loan

Approval Authority

Loans up to \$100,000 that meet the Fund’s underwriting criteria	President, Executive Committee or Board of Directors
Loans up to \$100,000 to existing borrowers, provided the borrower’s payment history on the loan is satisfactory and the total new principal balance does not exceed the original loan amount	President, Executive Committee or Board of Directors
Loans to borrowers who purchase and pledge to the Fund Debt Securities with principal amount equal to 100% of the loan principal	President, Executive Committee or Board of Directors
Other loans up to \$500,000	Executive Committee or Board of Directors
All other loans	Board of Directors

Our Board of Directors determines our loan policies, which may be revised at any time. Thus, we cannot assure you that the loan policies described in this Offering Circular, the scope and extent of our lending activities, and/or interest rates offered on our loans will not be changed periodically. In addition, upon a vote of the majority of the Board of Directors, the Fund may deviate from the loan policies provided the Board of Directors has a reasonable basis for such deviation.

Loan Policies

Overview

It is our policy to make only secured loans, at interest rates that may be lower or higher than rates prevailing in the market for conventional mortgages. Interest rates are determined by the various underwriting factors and are set at the discretion of the Fund. For loans collateralized by a borrower’s investment in our Debt Securities, we charge an interest rate that is at least 2.5% above the interest rate on the Debt Securities. We generally require payment of principal and interest on all loans in equal monthly installments. Most loans have a term of 20 years. We also make adjustable-rate term loans with periodic interest rate adjustments every three, five or seven years based on various periods of amortization. We also generally reserve the right to re-determine the rate of interest at any time during the term of the loan. In order to better facilitate our ability to reset the interest rates on long-term loans, we also make “balloon” loans for three-, five-, and seven-year terms, with all principal and interest becoming due at maturity.

The mortgage and promissory note executed in our favor typically contain an acceleration clause to the effect that in the event of default by the borrower, the entire unpaid balance of principal and interest shall become immediately due and payable. Before making any loan, we generally make contact through our staff with the leadership of the borrower, in order to discuss and accumulate pertinent information concerning the congregation and its past and present membership contributions in an effort to determine a prudent amount of indebtedness for the borrower and to realistically evaluate the congregation’s ability to repay. See “FINANCING AND OPERATIONAL ACTIVITIES—Information Regarding Loans—*Outstanding Loans*,” page 14.

Loans to members of the Denomination located outside the United States are generally made through the World Missions Department, but in some cases may be made through or with the support of a Conference (including in the form of a guaranty or other collateral).

When circumstances warrant, we may adjust, amend, waive, deviate from or allow exceptions to the loan policies at any time with respect to any particular lending decision. Consistent with the Fund’s mission as a charitable organization to assist the churches and other institutions of the Denomination, such exceptions are relatively frequent in comparison to a typical commercial lender. Loans in the Fund’s loan portfolio commonly deviate from one or more of the criteria and qualifications set forth below.

General Qualifications. We review loan requests from borrowers that generally meet the criteria for membership in, or have a programmatic relationship with, the Denomination. To be considered for a loan, each borrower must provide the Fund with the information set forth below. However, proof and or delivery of these items will not constitute approval of the loan.

- Financial information, including (if available) balance sheets, income statements, profit and loss statements, and bank statements.

- Sufficient proof of authorization of the loan transaction by the borrower's governing body.
- Acknowledgment from the Conference of the Denomination, where the church or institution maintains its Denominational membership (if applicable).

Collateral Qualifications. It is our policy that all of our loans are secured by approved collateral. The borrower may provide collateral in one or more of the following ways:

- First mortgage, liens or deed of trust on property titled in the name of the borrower.
- Debt Securities pledged toward the loan amount.
- Certificates of deposit of federally insured financial institutions.
- Second lien on property titled in the name of the borrower.
- Liens on property including furniture, fixtures and equipment.
- Title liens on vehicles and other types of properties.
- Guaranty of a Denominational conference, person, entity or another church.

Underwriting Requirements—Loans Secured by Real Property

Loan to Value Limit. The Fund generally will not consider any loan to purchase a church property for more than 80% of the current value of the property securing the loan or 85% of the purchase price for the property, whichever is less. With respect to purchases of land or rural church properties, the Fund imposes lower loan-to-value limits. For construction loans, see “Underwriting Requirements—Construction Loans,” below.

Ability to Pay Limit. In addition to the loan-to-value limit discussed above, the Fund takes into consideration how much of a church's monthly income can be devoted to total debt service, including the contemplated loan. The ability to pay takes into consideration all regular revenue received by the church, which includes tithes, offering, and building fund contributions, etc. One-time gifts, irregular contributions, funds designated for other matters, and funds received for special giving, such as missions, may not be included in calculating a church's annual income. The Fund generally considers applications for loans where the borrower's total monthly payments of all debt service, including the contemplated loan, do not exceed 30% of the church's monthly income, but we may consider loans with higher percentages in consideration of additional factors, such as additional collateral.

Maximum Loan Amount. The maximum amount that the Fund will generally consider for any given loan is 5% of the Fund's outstanding loans receivable.

Loan Fees. The Fund may charge a fee of 1% of the amount of the loan being requested (or 1.5% for construction loans), which fee is refunded only if the loan is denied (less any costs incurred by the Fund). The Fund may also charge a \$250 fee for preparation of the loan documentation.

Valuation. The basis for valuation of the underlying property may include, but is not limited to, certified appraisal, broker's opinion, sales approach, cost approach, income approach, tax assessment, insured value, comparable sales and commercial evaluation reports.

Title Insurance. We may require that a title search or title insurance policy be obtained before the church loan is funded.

Property Insurance. Prior to funding, the borrower generally must provide evidence of an adequate property insurance policy in place on the mortgaged property, naming the Fund as an insured and a loss payee.

Underwriting Requirements—Loans Secured by Personal Property. Most of the above requirements for loans secured by real property do not apply where the collateral securing the loan is personal property. For loans that are secured by the Fund's own Debt Securities issued to the borrower and pledged to or held by the Fund equal to the amount of the loan, the Fund will not rule out extending a loan, for example, because the borrower's debt service payments exceed a certain percentage of its monthly income.

Underwriting Requirements—Construction Loans. In addition to the above requirements, a church applying for a construction loan to build a church or to make improvements may be asked to submit a bid of the cost of the project, building plans, blueprints, permits, zoning information, valuations, credentials of the contractor or architect, and any other information necessary for the loan review process. The Fund will consider funding a new construction loan up to a maximum of 75% of the actual cost of construction, or 70% of the as-built value of the property, whichever is less.

Loan Refinancing. The Fund may refinance loans for the following reasons:

- Reset the interest rate at the end of a balloon period.
- At the request of a church when interest rates decline.
- If a church has been approved for additional funds.
- If a church has an impaired loan and requests a reduced monthly amount.
- Any other reason determined in our discretion.

Additional terms and conditions for refinanced loans include the following:

- If a church has a delinquent loan or is in some type of distress, the Fund will make a determination whether or not a Forbearance Agreement can be entered into with the understanding that at the end of the forbearance period, provided the church complies with the terms of the forbearance, the Fund at its sole discretion may restructure, modify or refinance the loan. See also the discussion on “FINANCING AND OPERATIONAL ACTIVITIES—Information Regarding Loans—*Loan Delinquencies and Allowance for Credit Losses*,” beginning on page 15.
- A refinancing fee may be required by the Fund and paid by the borrower prior to or at the time of signing the loan documents.
- Where possible, a modification agreement will be utilized rather than a new deed of trust or mortgage.
- If an appraisal is required, the church must pay for the appraisal.

Loan Participation

From time to time, we may sell participations in our loans on a non-recourse basis so that the buyer assumes the risk of any loss on the loan participation. Under the loan participation agreements, the Fund generally maintains all records, collects all payments, remits monthly the appropriate pro rata share of both interest and principal collected on these loans, and is the sole secured party with respect to any collateral (but must pay the participant’s pro rata share of any proceeds upon liquidation of such collateral). The loan participant pays its pro rata percentage of the Fund’s unreimbursed expenses in connection with collecting the loan and foreclosing on and liquidating the collateral, if necessary. These loans are summarized under “FINANCING AND OPERATIONAL ACTIVITIES—Information Regarding Loans—*Outstanding Loans*,” beginning on page 14.

The Fund also may purchase a participation interest in a loan made by an institution of the Denomination, or an unaffiliated party such as a commercial lender. Participations in loans made by commercial lenders generally are required to meet our lending guidelines; however, the interest rates and term to maturity of such participations may differ from loans we make directly. As of December 31, 2024, the Fund had no such participation interests.

INVESTING ACTIVITIES

Investment Policy

In order to meet our interest and principal payment obligations on our outstanding Debt Securities and to support our lending activities, it is our policy to maintain liquid assets, consisting of cash, cash equivalents and readily marketable securities (collectively, “**Liquid Assets**”), in an aggregate amount equal to at least 10% of our aggregate outstanding principal balance of our Debt Securities. As of December 31, 2024, we had Liquid Assets in the amount of \$21,319,178, which equaled approximately 44.6% of our total liabilities at such date and approximately 44.7% of the aggregate outstanding principal balance on our outstanding Debt Securities. Although it is our current intention to continue this policy, we cannot assure you that this policy will continue or that we will maintain amounts in excess of this policy requirement. To the extent that demands for new loans increase, our Liquid Assets may decrease.

A portion of our Liquid Assets is invested in securities, which are subject to investment risks. Sudden declines in value could materially reduce our Liquid Assets and cause a reduction in our Net Assets. See “RISK FACTORS—*We invest a portion of our liquid assets in securities that expose us to investment risks*,” page 9.

Our investment policies set forth the following targets for allocation of our Liquid Assets:

Asset Class	Minimum Percentage of Liquid Assets	Maximum Percentage of Liquid Assets
Cash Equivalents	10%	100%
Fixed Income	15%	90%
Equities	0%	45%
Real Estate (Liquid)	0%	10%
Alternative Investments	0%	20%

Our Board of Directors is ultimately responsible for the Fund's investment strategy and the selection of investment advisors or investment managers to assist them in the discharge of such responsibilities, including by granting such investment managers discretionary authority to buy and sell securities within designated accounts in accordance with the Fund's investment strategy. The Board of Directors has also delegated a portion of its day-to-day responsibility for monitoring the Fund's investments to an Investment Committee.

As of December 31, 2024, approximately \$7,370,583 of the Fund's Liquid Assets was managed by Syntrinsic, an IMA Financial Group company, and approximately \$677,518 was managed by Cornerstone Planning Group, LLC. The remainder was held in cash, money market accounts and certificates of deposit with various financial institutions.

We have the discretion to adjust, amend, waive, deviate from or allow exceptions to the investment policies at any time with respect to any particular investment-related decision.

Cash and Investments

At December 31, 2024, our cash and investments were as follows:

Description	Amount	Percentage of Total Assets
Cash and cash equivalents	\$ 13,824,505	24.0%
Money market mutual funds	3,291,152	5.7%
Interest-bearing investments	160,170	0.3%
Mutual funds	2,459,153	4.3%
Exchange-traded funds	1,584,198	2.8%
Investment in limited liability company	505,079	0.9%
Real estate income fund	378,679	0.7%
Total	<u>\$ 22,202,936</u>	<u>38.6%</u>

The following shows certain information related to our investment activity for the periods indicated:

	2024	2023	2022
Investment income	\$ 913,884	\$ 685,647	\$ 387,100
Net realized gain (loss) on investments, reported at fair value	173,851	(104,207)	(413,543)
Net unrealized gain (loss) on investments, reported at fair value	(18,647)	673,590	(1,794,387)
Investment fees	(40,406)	(37,449)	(67,552)
Total return on investments	<u>\$ 1,028,682</u>	<u>\$ 1,217,581</u>	<u>\$(1,888,382)</u>

We maintain our cash and cash equivalents in various banks, financial institutions or other church extension fund demand certificates. The bank account balances, at times, may exceed the federally insured limit of up to \$250,000, and church extension fund securities are generally not federally insured. As of December 31, 2024, the Fund's cash and cash equivalents exceeded federally insured limits by approximately \$12,447,000.

For more information regarding our investments, which include Liquid Assets invested in accordance with the investment policies described above and other investments, see Note 2 to our Audited Financial Statements.

SELECTED FINANCIAL INFORMATION

The following table sets forth, for each of our last five fiscal years, certain summary information regarding our financial position and change in net assets. Information regarding our financial position is as of the end of the period indicated, while information regarding our change in net assets cover the full period. The financial information presented in this section should be read in conjunction with our attached Audited Financial Statements.

	At and for the Years Ended December 31,				
	2024	2023	2022	2021	2020
Cash, cash equivalents and readily marketable securities ⁽¹⁾	\$ 21,319,178	\$ 19,295,727	\$ 17,726,042	\$ 17,903,532	\$ 18,555,767
Loans receivable, gross ⁽²⁾	35,129,216	35,753,327	38,280,455	38,043,784	36,328,471
Unsecured loans receivable	-	-	-	-	1,581
Unsecured loans as a percentage of gross loans receivable	-%	-	-	-	0.004%
Loan Delinquencies as a percentage of gross loans receivable ⁽³⁾	-%	-	0.98%	1.08%	3.84%
Total assets	\$ 57,528,869	\$ 56,167,166	\$ 56,405,888	\$ 55,768,988	\$ 54,621,953
Debt Securities outstanding	\$ 47,667,951	\$ 46,972,093	\$ 48,798,710	\$ 46,348,582	\$ 46,601,253
Accrued interest payable on Debt Securities	71,992	62,243	44,339	41,440	42,589
Debt Securities redeemed	7,652,343	11,618,041	5,110,444	4,437,576	3,449,936
Interest paid to Investors	185,360	139,835	194,762	232,427	182,512
Senior Secured Indebtedness	-	-	-	-	-
Other long-term debt	-	-	-	-	-
Net Assets	9,735,048	9,112,705	7,492,441	9,351,839	7,953,109
Change in Net Assets ⁽⁴⁾	\$ 622,343	\$ 1,620,264	\$ (1,859,398)	\$ 1,398,730	\$ 828,139

(1) Consisting of cash, money market accounts, certificates of deposit, interest-bearing investments with other loan funds, corporate debt securities, municipal debt securities, U.S. Government securities, and other readily marketable debt securities; and mutual funds, exchange-traded funds, and other readily marketable equity securities.

(2) Does not account for subtraction of the allowance for credit losses, which totaled \$372,986, \$409,878, \$1,032,748, \$1,055,150, and \$1,281,824 for the years ending December 31, 2024, 2023, 2022, 2021, and 2020, respectively, or deferred loan fees, which totaled \$151,348, \$172,909, \$249,669, \$224,655, and \$210,865, respectively, for the same periods.

(3) Loan Delinquencies are defined as loan balances on which payments of principal or interest are delinquent 90 days or more, whether in default or not.

(4) Reflects the change in accounting principle (ASC Topic 326) described in Notes 1 and 3 to the Audited Financial Statements.

DESCRIPTION OF THE DEBT SECURITIES

We are offering two different types of Debt Securities through this Offering Circular: (i) Savings Certificates, which are securities with interest rates that may vary from time to time, and (ii) Fixed Rate Certificates, which have varying terms of six months to 60 months, the interest rates for which are set upon the original purchase date and remain fixed for the term of the investment.

Terms Applicable to All Debt Securities (Savings Certificates and Fixed Rate Certificates)

The purchase of a Debt Security will not entitle a purchaser to an equity interest in the Fund nor the right to vote on any corporate matter. **THESE DEBT SECURITIES ARE NOT INSURED BY THE FDIC, THE SIPC OR ANY OTHER STATE OR FEDERAL GOVERNMENTAL AGENCY.** You may not purchase our Debt Securities unless you certify in your Investment Purchase Agreement that you were, prior to receipt of this Offering Circular, a member of, contributor to (including previous Investors), or participant in, the Denomination, the Fund, or any conference or congregation of the Denomination, including any program, activity or organization which constitutes a part of the Denomination, the Fund, or other religious organizations that have a programmatic relationship with the Denomination or the Fund.

Any change to an outstanding Debt Security, including any addition to the principal balance of a Debt Security, change in an Investor's initial election with respect to payment of interest, designation of beneficiary, or direct deposit or ACH information, will not be deemed effective until we have delivered written confirmation of our acceptance of your completed paperwork.

Unsecured General Obligations

No collateral is pledged to secure the payment of any of the Debt Securities and there is no guarantee by any of our affiliates or the Denomination to repay the certificates or to pay interest thereon. The Debt Securities are unsecured debt obligations of the Fund. This means, among other things, that (i) the payment of principal and interest on the Debt Securities depends solely upon our financial condition and strength, (ii) no assets are reserved or earmarked as collateral for the payment of principal and interest on the Debt Securities, (iii) if we were to suffer material financial difficulties, you could lose the entire amount of your investment, and (iv) to the extent we have Senior Secured Indebtedness at any given time, our obligations to the secured creditors rank ahead of you, and such creditors' interest in our assets securing the Senior Secured Indebtedness would have priority over any claim you may have. Our obligation to pay principal or interest on Debt Securities is a general obligation and ranks equal to our obligation to pay any other unsecured obligation, such as routine payables we incur in our day-to-day operations. No assurance can be given that we will not at some future date issue obligations that will have greater priority with respect to the assets of the Fund than the Debt Securities. In no event, however, will we incur Senior Secured Indebtedness in excess of 10% of our tangible assets (total assets less intangible assets as defined by GAAP). See "FINANCING AND OPERATIONAL ACTIVITIES—Information Regarding Debt Securities—*Secured or Senior Debt*," page 14.

Interest Accrual and Compounding

Debt Securities accrue interest daily from the date following the day of issuance. We calculate interest based on the actual number of days elapsed and a 365-day year. We compound interest at the rate of the respective Debt Security, monthly in the case of Fixed Rate Certificates and semiannually (at June 30 and December 31) in the case of Savings Certificates. We retain and accrue interest on your Debt Security unless you specifically elect on the Investment Purchase Agreement to receive interest payments. Any election or change in your interest election made after the initial investment will not be deemed effective until we have delivered written confirmation of our acceptance of your completed paperwork. All interest is taxable to you, whether paid to you as elected or retained and reinvested. See "TAX ASPECTS," page 25.

Interest Rates

The interest rates are set forth on the Rate Sheet currently in effect, which accompanies this Offering Circular and may also be obtained by calling us at 1-800-407-8959. We determine the applicable interest rate by the type and amount of investment at the date of issue of the Debt Securities. Certain Fixed Rate Certificates have tiers of interest rates that correlate to different minimum purchase amounts, which are also set forth on the Rate Sheet. Compounding of interest will not change the interest rate, even if the balance increases to the next minimum purchase tier.

Limitation on Transferability

The Debt Securities may not be pledged, assigned or otherwise transferred without our prior written approval except pursuant to the laws of descent and distribution, including the laws governing intestate succession.

Fiscal Year and Investor Reporting

A copy of the Fund's current Audited Financial Statements will be made available to a purchaser of a Debt Security upon written request and will be mailed to each purchaser of a Debt Security as soon as it becomes available. At the present time the Fund's fiscal year ends on December 31. It is our policy to notify you of interest earned on outstanding Debt Securities by providing you with IRS Form 1099 or a comparable form by January 31 of each year.

Redemption Prior to Maturity by the Fund

We reserve the right to terminate any or all Debt Security obligations in our sole discretion at any time, by redeeming such Debt Security and repaying the principal sum plus unpaid interest to the date of redemption to the Investor at the Investor's registered address. No interest penalty will be incurred when a Debt Security is redeemed at our election. If we elect to redeem your Debt Security prior to maturity, we will give you 30 days' written notice of our proposed redemption.

Event of Default

Non-payment of a Debt Security's principal and interest when due shall constitute a default by us, but only as to that Debt Security. In the event of non-payment, we shall have 10 days within which to pay the principal and interest without penalty. The Investor has no rights of acceleration of payment of a Debt Security upon default, but may pursue all available legal and equitable remedies, if such default is not cured within the applicable 10-day period. See "STATE NOTICES," beginning on page iii, for information regarding default rights in particular states.

Savings Certificates

Our Savings Certificates are demand notes and are offered for cash only, in any amount above \$100. Savings Certificates may be purchased electronically through an Automated Clearing House (ACH) transfer with your written authorization. We may change the interest rate payable on outstanding Savings Certificates upon 30 days' prior written notice of the new interest rate. See "TAX ASPECTS," page 25. Savings Certificates are not available for purchase in certain states—see "STATE NOTICES," beginning on page iii.

Principal and interest are payable at any time within 30 days after you send to the Fund a written demand to redeem your Savings Certificate.¹

We use a book entry system to record ownership and invested balances for all of our newly issued Savings Certificates. Under this system, we keep an electronic record of your investments in Savings Certificates. Instead of a paper Savings Certificate, we send you confirmation of your initial investment and any subsequent additions to, or redemptions of, your investment, except for electronic funds transfer transactions, which are shown only on your monthly statement. We also send periodic statements showing the balance of your Savings Certificate. Before moving to our current book entry system, we issued Savings Certificates in the form of paper certificates. Investors currently holding paper Savings Certificates may elect to use the book entry system by providing us with their paper Savings Certificate(s) and notifying us of their desire to use the book entry system.

Each proposed addition to the principal balance of an outstanding Savings Certificate is subject to acceptance by us, evidenced by issuance of a transaction confirmation. An Investor's delivery of funds does not constitute our acceptance of an additional principal investment. We reserve the right to not accept additions to the principal of any Certificate and will return an Investor's funds if that occurs.

Fixed Rate Certificates

The Fixed Rate Certificates are of varying terms from six months to 60 months and pay interest at rates determined by the Fund, which may vary based upon the principal amount of the Fixed Rate Certificate.

¹ Investors who purchased Savings Certificates prior to August 27, 2019 may request a redemption of their Savings Certificates at any time prior to the stated maturity by giving the Fund a written demand to redeem, within 30 days of which the Fund will pay the Investor all principal and accrued and unpaid interest.

You may purchase the Fixed Rate Certificates with a minimum investment of \$1,000 for various terms with maturities ranging from six months to 60 months, as set forth on the Rate Sheet. Fixed Rate Certificates may be purchased through a Self-Directed IRA with a minimum investment of \$1,000 for terms of 24 and 60 months. See “PURCHASE OF FIXED RATE CERTIFICATES THROUGH SELF-DIRECTED IRA,” page 25.

At least 30 days prior to the maturity of your Fixed Rate Certificate, we will notify you in writing of the maturity date, and provide a copy of our most recent Offering Circular (if it has not already been delivered to you). Your written notice will provide you with the option to either (i) reinvest the proceeds in a Fixed Rate Certificate or a Savings Certificate at the then-prevailing interest rate (which may be lower than the interest rate on the maturing Debt Security), or (ii) receive payment of the principal and accrued interest at maturity. If you affirmatively elect to reinvest the funds underlying the maturing Debt Security, or if we receive no response on or before the maturity date, the proceeds of the Fixed Rate Certificate will be reinvested in a new Fixed Rate Certificate of an equal term. We will pay promptly to all Investors requesting payment at maturity the outstanding principal and accrued interest as of the maturity date.

To encourage Denominational churches, organizations and institutions to save funds for building projects, the Fund is offering a Fixed Rate Building Fund Certificate with a minimum investment of \$1,000 for a term of 12 months. The Fixed Rate Building Fund Certificate allows for 12 monthly withdrawals over the 12-month term without any penalties. The interest rate on Fixed Rate Building Fund Certificates also may differ from the interest rate offered on our 12-Month Fixed Rate Certificate or any other Debt Securities. Other than the different interest rate and the monthly withdrawals without penalty, the Fixed Rate Building Fund Certificates have the same features and rights as the Fixed Rate Certificates.

We may, from time to time in our sole discretion, change the interest rates payable on the Fixed Rate Certificates. However, we may not change the interest rate paid on a particular Fixed Rate Certificate during its respective term.

The Investor has the option to be paid interest monthly, quarterly or semiannually, or may elect in writing to have us retain the interest and reinvest it in the Fixed Rate Certificate, in which event such retained amounts will be compounded.

Each Fixed Rate Certificate is evidenced by a certificate, which must be surrendered by the Investor upon payment. If your Fixed Rate Certificate is renewed at maturity, you will receive a statement reflecting the then-prevailing interest rate applicable to the renewed certificate and the new maturity date.

Although it has been our policy and practice to allow an Investor to redeem a Fixed Rate Certificate before its maturity date, we typically assess an interest penalty as set forth below:

<u>Original Term of Fixed Rate Certificate</u>	<u>Penalty</u>
Six (6) – 12 Months	Three months’ simple interest on the amount redeemed at the rate being paid on the Fixed Rate Certificate at the time of redemption.
24 – 60 Months	Six months’ simple interest on the amount redeemed at the rate being paid on the Fixed Rate Certificate at the time of redemption.

The interest penalty set forth above will not apply to the 12 monthly withdrawals allowed under a Fixed Rate Building Fund Certificate. However, any other early redemptions, in whole or in part, will be subject to the interest penalty.

We may or may not continue our policy of permitting early redemptions, at the sole discretion of the Fund. Accordingly, we cannot give you any assurance that we will continue to permit early redemption of Fixed Rate Certificates in the future, and we are not legally obligated to do so. Within 10 days of receipt of your request for early redemption of a Fixed Rate Certificate, it is our policy to provide you with written notice as to whether we will or will not permit the early redemption of the Fixed Rate Certificate. If we decide to allow the redemption, the interest penalty will be deducted from the amounts otherwise payable upon redemption. The interest penalty may be waived in the event that the monies remain in the Fund, in the event of the death of the Investor, or in such other circumstances as we deem appropriate.

PURCHASE OF FIXED RATE CERTIFICATES THROUGH SELF-DIRECTED IRA

Individuals may also purchase Fixed Rate Certificates indirectly by opening a Self-Directed Individual Retirement Account (“**IRA**”) with Goldstar Trust Company, a custodian of self-directed retirement accounts based in Canyon, Texas (the “**Custodian**”). Fixed Rate Certificates purchased through a Self-Directed IRA are held in the name of the Custodian, and we do not issue physical certificates.

If you choose to open a self-directed IRA with the Custodian, the Custodian acts as the custodian of your account and will invest in one of our Notes as you direct. We are not affiliated with the Custodian, but under an arrangement we have with them, we absorb the cost of the account maintenance fee charged to investors upon opening the account and annually thereafter. Goldstar Trust Company charges other fees on the accounts, including for certain transactions, paper statements, and account termination, for which the investor is responsible and which may be adjusted by Goldstar from time to time. You may obtain further information regarding the Self-Directed IRA program by contacting us or the Custodian.

An IRA is governed by the applicable provisions of the Code and related regulations, which impose maximum annual contribution limits, a minimum age for distributions, substantial penalties for premature distribution and minimum required distributions after retirement age. Generally, interest earned on IRA investments grows free of federal and state income taxes until funds are withdrawn. An investment in a self-directed IRAs involves certain risks and considerations involved in investing in self-directed IRAs and an investor should consider whether there is sufficient liquidity should the IRA beneficiary need to take a mandatory distribution. You should consult with your tax advisor before choosing to invest in our Debt Securities through an IRA account. **AS WITH ALL OF OUR DEBT SECURITIES, IF YOU PURCHASE FIXED RATE CERTIFICATES THROUGH A SELF-DIRECTED IRA, YOUR INVESTMENT WILL NOT BE INSURED BY THE FDIC, SIPC OR ANY OTHER STATE OR FEDERAL GOVERNMENTAL AGENCY.**

PLAN OF DISTRIBUTION

You will not be allowed to invest unless you certify in your Investment Purchase Agreement that you were, prior to receipt of this Offering Circular, a member of, contributor to (including previous Investors), participant in or other member of the Denomination, the Fund, or any program, activity or organization which constitutes a part of the Denomination or the Fund, or other religious organizations that have a programmatic relationship with the Denomination or the Fund.

The Debt Securities are offered and sold solely by our executive officers (pursuant to broker-dealer, issuer or agency licensing or an applicable exemption therefrom), who receive no commissions, fees or other special remuneration for or in connection with such sales. We have not entered into any underwriting or selling agreements in connection with this offering, and no underwriters, broker-dealers or registered sales persons (other than our executive officers who are registered in states which require such persons to register as sales persons or agents before selling these securities) are or will be participating in this offering. We pay no direct or indirect underwriting discounts, commissions or other remuneration to any person or organization for the sale of our Debt Securities.

If you qualify as a prospective Investor in our Debt Securities, you may purchase the Debt Securities by completing the Investment Purchase Agreement which accompanies the Offering Circular, and sending a check, cash, automated clearing house (ACH) transfer, money order or wire transfer made payable to The International Pentecostal Holiness Church Extension Loan Fund, Inc. at P.O. Box 12609, Oklahoma City, Oklahoma 73157-2609.

TAX ASPECTS

This discussion of federal income tax consequences was written to support the promotion or marketing of the Debt Securities and is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding tax penalties. You are advised to consult your own tax counsel or advisor to determine the particular federal, state, local, or foreign income or other tax consequences particular to your investment in our Debt Securities.

By purchasing a Debt Security, you may be subject to certain income tax provisions of the Code. Some of the significant federal income tax consequences of purchasing a Debt Security include the following:

- Although we are a 501(c)(3) organization, you will not be entitled to a charitable deduction for the Debt Security you purchase.

- Unless you hold your Debt Security through an IRA or other qualified tax deferred account, any interest on your Debt Security may be taxed as ordinary income in the year it accrues, regardless of whether the interest is paid out to you or compounded.
- Debt Securities purchased in an IRA or other qualified tax deferred account will be subject to the tax rules applicable to the account, and consultation with a competent financial and tax adviser is recommended.
- Unless you hold your Debt Security through an IRA or other qualified tax deferred account, it is our policy to provide you with a Federal Income Tax Form 1099 or the comparable form by January 31st of each year indicating the interest earned on your Debt Security(ies) during the previous year. This amount reported to you on the Internal Revenue Service Form 1099-INT is the interest that is taxable to you and should be included by you on your own personal tax return.
- You should not be taxed on the return of any principal amount of your Debt Security or on the receipt of interest that was previously taxed and reinvested, unless your basis in the Debt Security is reduced by an event other than repayment of the principal.
- Payments of principal and interest may be subject to “backup withholding” of federal income tax (currently at the rate of 24%) if you fail to furnish us with a correct social security number or other tax identification number, or if you or the IRS has informed us you are subject to backup withholding.

In addition, if you (or you and your spouse together) have invested or loaned more than \$250,000 in the aggregate with or to us and other charitable organizations that control, are controlled by or under common control with us, you may be deemed to receive additional taxable interest under Section 7872 of the Code if the on any Debt Security is below the applicable federal rate, which is a minimum rate of interest which the Internal Revenue Service requires be included in certain loan transactions. In that situation, the Internal Revenue Service may impute income up to that applicable federal rate. If you believe this applies to you, you should consult your tax advisor.

If the law creating the tax consequences described in this summary changes, this summary could become inaccurate. This summary is based on the Code, the regulations promulgated under the Code, and administrative interpretations and court decisions existing as of the date of this Offering Circular. These authorities could be changed either prospectively or retroactively by future legislation, regulations, administrative interpretations, or court decisions, and we have no obligation to notify you regarding any changes to the tax consequences of an investment in the Debt Securities due to any such changes. Accordingly, this summary may not accurately reflect the tax consequences of an investment in our Debt Securities after the date of this Offering Circular.

Finally, this summary does not address every aspect of tax law that may be significant to your particular circumstances. For instance, it does not address special rules that may apply if you are a financial institution or tax-exempt organization, or if you are not a citizen or resident of the United States. Nor does it address any aspect of state or local tax law that may apply to you. We recommend you consult with your own competent financial and tax advisor(s).

LITIGATION

As of the date of this Offering Circular, there were no material suits, claims or other legal or administrative proceedings or claims pending against us or our officers or directors, and we are not aware of any unasserted claims.

RELATED PARTY TRANSACTIONS

The International Pentecostal Holiness Foundation (the “**Foundation**”) and the Fund are both affiliates of the Denomination. The Foundation has considerable assets derived from trust and estates and other sources which it invests in various types of diversified investments. As a part of the spirit of cooperation and common mission with the Denomination, the Foundation invests from time to time a portion of its unrestricted funds in Debt Securities of the Fund. As of December 31, 2024, \$9,197,867 of our Debt Securities, or approximately 19.29% of the total amount of Debt Securities issued and outstanding, were held by the Denomination, the Foundation or entities that are members of the Denomination. In addition, the Foundation acts as investment manager of a portion of our investments. As of December 31, 2024, the Foundation had under management approximately \$505,079 of our investments. We lease our primary office space from a related unit of the Denomination for minimum annual rent of \$12,000. For more information regarding our transactions with related parties, see Note 11 to the Audited Financial Statements.

MANAGEMENT AND GOVERNANCE

Organizational Structure

The Fund is an Oklahoma nonprofit corporation. The members of the Fund are the members of the Council of Bishops of the Denomination, which is the Denomination's highest governing body when the General Conference is not in session. When that body is not in session, the members are represented by the Executive Committee of the Council of Bishops of the Denomination. See "HISTORY AND OPERATIONS—The Denomination," page 12. The Fund's affairs are governed by our Board of Directors pursuant to authority granted it by the certificate of incorporation and bylaws. The bylaws may be amended by a majority vote of our Board of Directors or the by the majority vote of the members at any respective annual meeting; provided, however, that any proposed amendment of the bylaws that would diminish the rights of the members must be approved by a majority vote of the members. Amendments to the certificate of incorporation must be approved by our Board of Directors and adopted by the members before they become effective.

Board of Directors

The Board of Directors is responsible for oversight of the Fund, the allocation of its resources, maintenance of its reserves, and the overall success of the Fund's operations. As of the date of this Offering Circular, our Board of Directors consists of six (6) individual voting directors. Voting directors are elected by the members of the Fund for a term of two years, from a slate of candidates recommended by the Executive Committee of the Council of Bishops of the Denomination. The President of the Fund serves as an ex officio non-voting director during the time he or she holds the office of President. Under our bylaws, at least 70% of the directors shall be members of the Denomination.

Each director other than the President of the Fund serves for two years from the date of his or her election and qualification. The President of the Fund shall serve as a non-voting director during the time he or she holds the office of President. A director shall serve until the expiration of the director's term, his or her removal as set in the Bylaws, or until the election and qualification of the director's successor. Vacancies shall be filled by the existing Board of Directors. A director may serve multiple terms. The individuals elected to the Board of Directors of the Fund shall be selected based on their ability to participate effectively in fulfilling the responsibilities and affairs of the Fund. A majority of the directors shall be experienced in banking, investments, accounting, law, real estate, business management and/or financial planning.

As of the date of this Offering Circular, the following individuals were members of our Board of Directors:

<u>Name/Position Held</u>	<u>Background and Experience</u>
Mathew Alfred, Chairman of the Board of Directors	Masters of Christian Ministry Chesapeake Bible College. Bachelor in Accounting Christ University, Diploma in Business Management, Ordained Minister of IPHC, served as Executive council member at EVUSA of IPHC, member of Board of Directors of Extension Loan Fund and Current Chairman. Working at a reputable Financial Institution as VP and Commercial Banker and Advisor for 25 years. Member of our Board of Directors since 2012; current term expires December 31, 2025.
Jeffery Cummins, Vice Chairman of the Board of Directors	Recently retired, after 43 years from Commercial Banking. Most recent position was serving as President of the Oklahoma City market for Liberty National Bank since March 2019; served as President of the Oklahoma City market for First Bank & Trust Co. from 2003 to 2019 and held various ascending lending positions with banks in the Oklahoma City area from 1981 to 2003; especially skilled in the building and development of teams providing successful lending programs and services. Graduate of the Graduate School of Banking in Boulder, Colorado, with a Master of Business Administration from Oklahoma City University and Bachelor of Business Administration from the University of Oklahoma. Certified Housing Commissioner with the National Association of Housing and Redevelopment Organization and currently serves as the Chairman of Commissioners of the City of Norman Housing Authority, having served as a Commissioner of the City of Norman Housing Authority for over 33 years. Serves in various other civic positions for organizations concentrating on housing for low income,

Name/Position Held**Background and Experience**

elderly, or mentally disadvantaged citizens. Member of Wildwood Church in Norman, Oklahoma. Member of our Board since 2020; current term expires December 31, 2026.

Robert Sellers,
Director, Secretary & Treasurer

Principal of Robert A. Sellers CPA, located in Tulsa, Oklahoma, where he counsels clients on financial operations, systems, and other business organizational matters. Graduate of Oral Roberts University with a Bachelor of Science in Accounting. A CPA for 41 years, Sellers is a Member of the Oklahoma Society of CPAs, and is a past member of the Society's Board of Directors, past trustee of the CPA-PAC and past chair of several committees. Currently serves as Commissioner on the City of Jenks Planning Commission and was recently appointed by the Governor to the Oklahoma Accountancy Board. After working in public accounting for ten years, has served in various senior and executive financial and operational management positions in public and private companies, while also serving on several civic and charitable boards. Serves on the Administrative Council of SpiritLife Church where he has been a member for over 35 years. Member of our Board since 2021; current term expires December 31, 2025.

Chadrick L. Arnold,
Director

Commercial Relationship Manager at First Community Bank in Virginia with over 8 years of commercial lending experience. Bachelor's degree from Bluefield College. Associate Pastor at Life Changers Christian Center. Serves on the board of the Wytheville-Wythe-Bland County, Virginia Chamber of Commerce and as a member of the Industry Advisory Committee for Wytheville Community College. Member of our Board since 2022; current term expires December 31, 2025.

Timothy Haynes,
Director

Graduated from Emmanuel College with an Associate's Degree in Business and from Lander University with a B.S. in Business Administration, with focus on Economics and Business Management. Has over 30 years of experience in the procurement field, retiring from VELUX Greenwood Inc. as Strategic Procurement Manager in 2016; served on the management team for the U.S. production plants and as U.S. liaison to the VELUX Global Purchasing Organization. Now serves as Funeral Director and Advanced Planning Counselor, and Administrative and IT support for Blyth Funeral Home and Oakbrook Memorial Park in Greenwood, SC. Member of the South Greenwood Pentecostal Holiness Church; has served the church in numerous capacities including administrative boards, elder, teacher, worship leader, and musician. Member of our Board since 2020; current term expires December 31, 2025.

Shawn Simon,
Director

Lead Pastor serving the IPHC in the Mid-Atlantic Conference at Kingsway Christian Center in Baltimore, and founding partner of Alacrity Partners, where he serves mid-market banking clients and purpose-driven credit unions. Bringing over 20 years of financial services advisory expertise, with over 15 years at Gartner, Inc. leading its Mid-Market Banking consulting practice. Native to Baltimore, MD, graduated from the Gilman School, bachelor's degree from Franklin & Marshall College in Computer Science and Chemistry. Executive coach and management consultant by training, with experience at firms such as Arthur Andersen, Accenture and BearingPoint. Member of our Board since 2023; current term expires December 31, 2026.

Travis Lowe,
President (*ex officio*,
non-voting Director)

Financial services professional with over 15 years retail and commercial banking experience. Bachelor's degree in Ministry from Maranatha College, Founder and Host of the HopeWords Writers' Conference, and a founding Board member of Together for Hope, a rural development coalition engage the 301 counties of persistent rural poverty in America. Ordained minister

Name/Position Held**Background and Experience**

with the Denomination. President since 2022 and member of our Board of Directors since 2018.

All directors serve on a volunteer basis and are not compensated for time or services rendered as members of the Board of Directors. Directors may be contacted by mail at P.O. Box 12609, Oklahoma City, Oklahoma 73157, or by telephone at 1-405-792-7161 or 1-800-407-8959.

Executive Officers of the Fund

Our daily operations are directed by executive officers who are appointed by the Board of Directors. Officers are elected for terms of up to four years, which may be renewed at the Board's discretion. As of the date of this Offering Circular, we have two other executive officers in addition to Mr. Lowe, our President, and Mr. Sellers, our Secretary and Treasurer, whose respective biographies are included above:

Name/Position Held**Background and Experience**

Travis Lowe,
Director & President

See biography under "Board of Directors" on page 28 above.

Stephen Hanscom,
Vice President of Lending Services

B.S. in Biblical Studies, with a minor in Christian Education from Southwestern Christian University; Retail Manager for Wilson Leather of Minneapolis, Minnesota from November 1989 to September 1994; Logistics Manager for Quest Diagnostics Clinical Laboratories, Inc., of Denver, Colorado from September 1994 to March 1996; Commercial Claims Specialist for Orion Capital, of Denver, Colorado from March 1996 to August 1998; Dean of Student Development for Southwestern Christian University of Bethany, Oklahoma from August 1998 to October 2005; currently our Vice President of Lending Services from October 2005 to present, and serves as Co-Pastor of Divine Life Church located in Oklahoma City, Oklahoma.

Andrew Carter,
Assistant Vice President
(effective January 2025)

B.S. in Accounting and an M.B.A. from Oral Roberts University; holds both Series 7 and Series 63 securities licenses. Currently our Assistant Vice President effective January 2025 to present, after joining us as an Accounting Associate in 2024. Prior to joining the Fund, worked at Ernst & Young, focusing on financial reporting and audit services.

Robert Sellers,
Director, Secretary & Treasurer

See biography under "Board of Directors" on page 28 above.

Travis Lowe, our President, and Stephen Hanscom, our Vice President of Lending Services, were the only officers receiving a salary as of December 31, 2024. The aggregate amount of all remuneration that we paid to these officers during 2024 was \$280,165, which includes wages, health and other insurance, retirement plan contributions, and other benefits. Each of them is expected to receive approximately the same compensation from the Fund for 2025. Other than Travis Lowe, who earned approximately \$150,000 during 2024 (of which approximately \$132,000 was wages and the remaining portion of which was benefits), no officer, director or employee earned total compensation of \$150,000 or more from the Fund. None of our officers receives commissions, discounts, or other forms of remuneration for the sale of our Debt Securities. We do not pay compensation to any of our directors.

As of December 31, 2024, the Fund's directors and officers held Debt Securities with an aggregate outstanding principal balance of \$1,124.

INDEPENDENT AUDITORS

Our financial statements as of and for the years ended December 31, 2024, 2023, and 2022, which are included at the end of this Offering Circular, have been audited by Forvis Mazars, LLP, independent auditors, as stated in their report appearing herein. See the Audited Financial Statements.

OUR WEBSITE

We have established a website that can be accessed at www.elfiphc.org/. Except for the Offering Circular, Appendices thereto, Investment Purchase Agreement, and Rate Sheets posted on our website, the information available on the Internet, or that can be accessed through our website, is not part of the Offering Circular. The reference to this website does not incorporate the contents of the website into the Offering Circular.

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No person has been authorized to give any information or to make any representations in connection with this Offering other than those contained in this Offering Circular and, if given or made, such information or representations must not be relied upon as having been made or authorized by the Fund.

This Offering Circular does not constitute the offer nor the solicitation of an offer to sell to any person in any state or other political jurisdiction in which an offer or solicitation may not be lawfully made. This Offering Circular does not constitute the offering by any person in any state in which such person is not qualified to act as a broker-dealer or agent, or is not otherwise permitted to make such offers or sales.

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Offers and sales of the Debt Securities are limited to persons who, prior to receipt of this Offering Circular, were a member of, contributor to (including previous Investors), participant in or other member of the Denomination, the Fund, or any program, activity or organization which constitutes a part of the Denomination or the Fund, or other religious organizations that have a programmatic relationship with the Denomination or the Fund.

THE INTERNATIONAL PENTECOSTAL HOLINESS CHURCH
EXTENSION LOAN FUND, INC.

\$65,000,000

**Savings Certificates
and
Fixed Rate Certificates**

OFFERING CIRCULAR

August 29, 2025



For Additional Information, call:

**(405) 792-7161
or
(800) 407-8959**

**The International Pentecostal Holiness Church
Extension Loan Fund, Inc.**

7300 NW 39th Expressway
Bethany, Oklahoma 73008

P.O. Box 12609
Oklahoma City, Oklahoma 73157



The International Pentecostal Holiness Church Extension Loan Fund, Inc.

Independent Auditor's Report and Financial Statements

December 31, 2024, 2023, and 2022



Independent Auditor's Report

Council of Bishops and Board of Directors
The International Pentecostal Holiness Church Extension Loan Fund, Inc.
Bethany, Oklahoma

Opinion

We have audited the financial statements of The International Pentecostal Holiness Church Extension Loan Fund, Inc., which comprise the statements of financial position as of December 31, 2024, 2023, and 2022 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The International Pentecostal Holiness Church Extension Loan Fund, Inc. as of December 31, 2024, 2023, and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The International Pentecostal Holiness Church Extension Loan Fund, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in *Note 1*, to the financial statements, in 2023, the Fund adopted ASU 2016-13 *Financial Instruments Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The International Pentecostal Holiness Church Extension Loan Fund, Inc.'s ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The International Pentecostal Holiness Church Extension Loan Fund, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The International Pentecostal Holiness Church Extension Loan Fund, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Forvis Mazars, LLP

Springfield, Missouri
June 6, 2025

The International Pentecostal Holiness Church Extension Loan Fund, Inc.
Statements of Financial Position
December 31, 2024, 2023, and 2022

	2024	2023	2022
ASSETS			
Cash and cash equivalents	\$ 13,824,505	\$ 10,947,621	\$ 10,626,287
Investments	7,873,352	8,790,611	7,438,771
Investments held by affiliates	505,079	504,438	630,513
Loans, net of allowance for credit losses; 2024 – \$372,986; 2023 – \$409,878; and 2022 – \$1,032,748	34,604,882	35,170,540	36,998,038
Accrued interest receivable	77,876	93,553	83,459
Foreclosed assets held for sale, net	349,106	349,106	580,416
Foreclosed assets held for lease, net	268,179	274,064	-
Software and equipment, net	19,073	27,416	35,159
Other	6,817	9,817	13,245
Total Assets	\$ 57,528,869	\$ 56,167,166	\$ 56,405,888
LIABILITIES AND NET ASSETS			
Liabilities			
Certificates			
Savings	\$ 2,975,873	\$ 4,485,143	\$ 4,910,145
Fixed rate certificates	41,729,489	39,323,993	39,432,442
Individual retirement accounts	2,962,589	3,162,957	4,456,123
Total Certificates	47,667,951	46,972,093	48,798,710
Interest payable	71,992	62,243	44,339
Accounts payable and accrued expenses	53,878	20,125	70,398
Total Liabilities	47,793,821	47,054,461	48,913,447
Net Assets Without Donor Restrictions			
Undesignated	9,735,048	9,112,705	7,492,441
Total Net Assets	9,735,048	9,112,705	7,492,441
Total Liabilities and Net Assets	\$ 57,528,869	\$ 56,167,166	\$ 56,405,888

The International Pentecostal Holiness Church Extension Loan Fund, Inc.
Statements of Activities
Years Ended December 31, 2024, 2023, and 2022

	Without Donor Restrictions		
	2024	2023	2022
Revenues, Gains, and Other Support			
Interest on loans	\$ 2,235,175	\$ 2,177,085	\$ 2,158,622
Net investment return	1,028,682	1,217,581	(1,888,382)
Other revenue	14,049	52,604	33,474
Total Revenues, Gains, and Other Support	3,277,906	3,447,270	303,714
Expenses and Losses			
Interest on savings, fixed rate certificates, and individual retirement accounts	1,610,021	1,239,973	1,103,637
Provision (benefit) for credit losses	(22,099)	(691,093)	(22,402)
Salaries and benefits	452,936	341,443	492,397
Foreclosed assets, net	(1,029)	25,446	24,355
Other expenses	615,734	840,177	565,125
Total Expenses and Losses	2,655,563	1,755,946	2,163,112
Change in Net Assets	622,343	1,691,324	(1,859,398)
Net Assets, Beginning of Year, As Previously Reported	9,112,705	7,492,441	9,351,839
Change in Accounting Principle - ASC Topic 326	-	(71,060)	-
Net Assets, Beginning of Year, As Adjusted	9,112,705	7,421,381	9,351,839
Net Assets, End of Year	\$ 9,735,048	\$ 9,112,705	\$ 7,492,441

The International Pentecostal Holiness Church Extension Loan Fund, Inc.
Statements of Cash Flows
Years Ended December 31, 2024, 2023, and 2022

	2024	2023	2022
Operating Activities			
Change in net assets	\$ 622,343	\$ 1,691,324	\$ (1,859,398)
Items not requiring (providing) cash			
Depreciation	14,481	9,113	8,274
Provision (benefit) for credit losses	(22,099)	(691,093)	(22,402)
Net realized and unrealized (gains) losses on investments	(155,204)	(569,383)	2,207,930
Interest refinanced by borrowers	(9,514)	(8,615)	(6,201)
Net (gain) loss on foreclosed assets	-	21,337	(232)
Donation of nonfinancial asset	-	196,173	-
Changes in			
Accrued interest receivable	15,677	(10,094)	(697)
Accrued interest payable	9,749	17,904	2,899
Other assets	3,000	3,428	2,750
Accounts payable and accrued expenses	33,753	(51,477)	43,271
Net Cash Provided by Operating Activities	512,186	608,617	376,194
Investing Activities			
Proceeds from the sale of foreclosed assets	-	13,800	68,150
Purchase of software and equipment	(253)	(1,370)	(13,073)
Purchases of investments and interest-bearing time deposits in banks	(10,748,828)	(8,120,457)	(8,300,219)
Proceeds from the sales of investments and interest-bearing time deposits in banks	11,820,650	7,464,075	9,793,541
Originations of loans receivable	(3,368,818)	(6,621,400)	(7,759,010)
Principal payments received on loans receivable	3,966,089	8,804,686	7,373,388
Net Cash Provided by Investing Activities	1,668,840	1,539,334	1,162,777
Financing Activities			
Redemption of certificates	(7,652,343)	(11,618,041)	(5,110,444)
Proceeds from new certificates	8,348,201	9,791,424	7,560,572
Net Cash Provided by (Used in) Financing Activities	695,858	(1,826,617)	2,450,128
Increase in Cash and Cash Equivalents	2,876,884	321,334	3,989,099
Cash and Cash Equivalents, Beginning of Year	10,947,621	10,626,287	6,637,188
Cash and Cash Equivalents, End of Year	\$ 13,824,505	\$ 10,947,621	\$ 10,626,287
Supplemental Cash Flows Information			
Interest paid to certificate holders	\$ 185,360	\$ 139,835	\$ 194,762
Interest reinvested by certificate holders	1,414,912	1,082,234	905,976
Interest refinanced by borrowers	9,514	8,615	6,201
Reinvestment of certificates	19,600,625	13,797,566	16,514,267
Real estate acquired in settlement of loans	-	274,064	580,416
Sale and financing of foreclosed assets	-	-	400,250
Donation of nonfinancial asset	-	196,173	-

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The International Pentecostal Holiness Church Extension Loan Fund, Inc. (the "Fund") was incorporated in Oklahoma as a not-for-profit corporation by the predecessor to the International Pentecostal Holiness Church (the "Church"). The Fund was established on January 21, 1958, for the purpose of raising and loaning money to local churches, regional conferences, and other affiliates of the Church to assist in financing capital improvement projects, including the construction of new church facilities and the purchase or remodeling of existing church facilities. The Fund is a not-for-profit corporation which is organized and operates as a separate legal entity distinct from the Church. The Fund is supervised and directed by a Board of Directors consisting of the president and six additional members. Of these six members, at least four are required to be lay persons experienced in the fields of banking and mortgage finance. The additional six directors of the Fund's Board serve two-year terms upon nomination by the Executive Committee of the Council of Bishops and ratification by the entire Council of Bishops.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for credit losses and the valuation of real estate acquired in connection with foreclosures or in satisfaction of loans. In connection with the determination of the allowance for credit losses and the valuation of foreclosed assets held for sale, management obtains independent appraisals for significant properties.

Cash and Cash Equivalents

Cash and cash equivalents includes funds held in banks for operating purposes and investments held in FDIC deposits. Funds invested in temporary investments are not considered cash equivalents. At December 31, 2024, the Fund's cash accounts exceeded federally insured limits by approximately \$12,447,000.

Investments

The Fund measures investments, other than investments that qualify for the equity method of accounting, at fair value. Investments in real estate income funds are recorded at net asset value (NAV), as a practical expedient, to determine fair value of the investments. The investment in the real estate income fund (REIF) may be requested to be redeemed by the REIF, however redemption is at their discretion.

The Fund measures equity securities without a readily determinable fair value at cost, minus impairment, if any, plus or minus changes resulting from observable price changes for the identical or a similar investment.

For equity securities measured under the practicability exception, the Fund performs a qualitative assessment for equity investments without readily determinable fair values considering impairment indicators to evaluate whether an impairment exists. If an impairment exists, the Fund will recognize a loss based on the difference between carrying value and fair value.

The International Pentecostal Holiness Church Extension Loan Fund, Inc.
Notes to Financial Statements
December 31, 2024, 2023, and 2022

Net Investment Return

Investment return includes dividend, interest, and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Loans

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoffs are reported at their outstanding principal balances adjusted for any charge-offs, the allowance for credit losses, and any deferred fees or costs on originated loans. Generally, these loans are collateralized by first mortgages on the primary buildings and facilities owned by the borrowers.

Interest income is accrued based on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are deferred and amortized as a level-yield adjustment over the respective term of the loan.

The accrual of interest on loans is generally discontinued at the time the loan is 90 days past due unless the credit is well-secured and in process of collection. Past due status is based on contractual terms of the loan. In all cases, loans are placed on nonaccrual or charged off at an earlier date if collection of principal or interest is considered doubtful. The interest on these loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Allowance for Credit Losses – Loans

The allowance for credit losses is established as losses are expected to occur through a provision (benefit) for credit losses charged to income. Credit losses are charged against the allowance when management believes the uncollectability of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The allowance for credit losses is evaluated on a regular basis by management.

Groups of loans with similar risk characteristics are collectively evaluated. Loans that do not share risk characteristics are evaluated on an individual basis. Loans with similar risk characteristics are grouped into homogenous segments, or pools, for analysis.

A weighted average remaining maturity (WARM) model was utilized for all loan pool segments and the results are aggregated at the pool level. The WARM model uses historical losses, as adjusted for reasonable and supportable forecast expectations, and applies those adjusted loss rates to the effective term of the loan portfolio.

The Fund has identified the following portfolio segments: Loans secured by real estate and Other loans.

In determining the proper level of the allowance for credit loss, the Fund determined that the loss experience provides the best basis for the assessment of expected credit losses. The Fund therefore used historical credit loss experience by each loan segment over an economic cycle. For the segment models for collectively evaluated loans, the Fund incorporated two macroeconomic factors to adjust the historical credit loss experience.

The International Pentecostal Holiness Church Extension Loan Fund, Inc.
Notes to Financial Statements
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The Fund qualitatively adjusts model results for risk factors that are not considered within the modeling processes but are nonetheless relevant in assessing the expected credit losses within the loan pools. These qualitative factors and other qualitative adjustments may increase or decrease the Fund's estimate of expected credit losses by a calculated percentage or amount based upon the estimated level of risk. The various risks that may be considered in making qualitative adjustments include, among other things, the impact of:

- (A) Changes in lending policies and procedures, including changes in underwriting standards and practices for collections, write-offs, and recoveries
- (B) Actual and expected changes in international, national, regional, and local economic and business conditions and developments that affect the collectability of the loan pools
- (C) Changes in the nature and volume of the loan pools and in the terms of the underlying loans
- (D) Changes in the experience, ability, and depth of our lending management and staff
- (E) Changes in volume and severity of past due financial assets, and the volume of nonaccrual assets
- (F) Changes in the quality of our credit review function
- (G) Changes in the value of the underlying collateral for loans that are non-collateral dependent
- (H) Other factors such as the regulatory, legal and technological environments; competition; and events such as natural disasters or health pandemics

For those loans that are individually evaluated, an allowance is established when the discounted collateral value of the loan is lower than the carrying value of that loan.

Allowance for Credit Losses – Off-Balance-Sheet Credit Exposures

The allowance for credit losses on off-balance-sheet credit exposures is a liability account, representing expected credit losses over the contractual period for which the Fund is exposed to credit risk resulting from a contractual obligation to extend credit. No allowance is recognized if the Fund has the unconditional right to cancel the obligation. The allowance is reported as a component of accounts payable and accrued expenses in the statements of financial position. Adjustments to the allowance are reported in the statements of activities as a component of credit loss expense. The allowance for credit losses on off-balance-sheet credit exposures is described more fully in *Note 3*.

Software and Equipment

Software and equipment are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated useful lives of the assets.

Foreclosed Assets Held for Sale

Assets were acquired through, or in lieu of, loan foreclosure. Real estate owned and held for sale is initially recorded at fair value less cost to sell at the date of foreclosure, establishing a new cost basis. Subsequent to foreclosure, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less cost to sell. Revenue and expenses from operations and changes in the valuation allowance are included in change in net assets or expense from foreclosed assets.

The International Pentecostal Holiness Church Extension Loan Fund, Inc.
Notes to Financial Statements
December 31, 2024, 2023, and 2022

Foreclosed Assets Held for Lease

Assets were acquired through, or in lieu of, loan foreclosure. Real estate owned and held for lease is initially recorded at fair value at the date of foreclosure, establishing a new cost basis. Real estate owned and held for lease is currently being leased and is being depreciated on a straight-line basis over the estimated life of the property, which is between 25 and 39 years.

Fixed Rate, Savings, and IRA Certificates

The Fund offers and sells to investors unsecured general debt obligations in the form of fixed rate certificates, savings certificates and individual retirement account (IRA) certificates, subject to the availability, terms, conditions and risks described in the Fund's Offering Circular. The fixed rate and individual retirement account (IRA) certificates pay interest based on a fixed rate from the date of purchase through maturity. Fixed rate certificates accrue interest daily and pay interest monthly, quarterly, or semi-annually at the investor's option (or, if issued in 2001 or earlier, pay interest semiannually based on the date of the certificate). For savings certificates, interest is accrued daily based on a variable rate and paid or reinvested (at the investor's option) semiannually on June 30 and December 31.

Interest is calculated based on a 365-day year. The Fund does not possess any deposit insurance from a third-party insurer or state or federal deposit insurance agency. The payment of principal and interest on the certificates depends solely upon the financial condition of the Fund at the time payment is due. The payment of principal and interest on all certificates is a general obligation of the Fund. Principal and interest on the savings certificates are payable at any time within 30 days after an investor sends the Fund a written demand to redeem. Fixed rate certificates and IRA certificates are of varying terms from six months to 60 months and pay interest at rates determined by the Fund, which may vary based upon the principal amount.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. The governing board has at times designated, from net assets without donor restrictions, net assets for a Board-designated purpose.

Functional Allocation of Expenses

Functional expenses (*Note 9*) present the natural classification detail of expenses by function. Certain costs have been allocated between the program and supporting services based on usage and other methods.

Exemption from Income Taxes

The Fund is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code as provided by a group letter ruling issued to the Church from the Internal Revenue Service and a similar provision of state law. However, the Fund is subject to federal income tax on any unrelated business taxable income.

Revisions

Certain immaterial revisions have been made to the 2023 and 2022 financial statements and related disclosures for classification of certain expenses. These revisions did not have a significant impact on the financial statement line items impacted.

Adoption of New Accounting Standard

On January 1, 2023, the Fund adopted ASU 2016-13: *Financial Instruments – Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The Fund

The International Pentecostal Holiness Church Extension Loan Fund, Inc.
Notes to Financial Statements
December 31, 2024, 2023, and 2022

adopted ASC 326 using a modified retrospective method for all financial instruments measured at amortized cost and off-balance-sheet credit exposures. Reporting periods beginning after January 1, 2023 are presented under ASC 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP. The Fund recorded a net decrease to net assets of \$71,060 as of January 1, 2023 for the cumulative effect of adopting ASC 326.

The following table describes the impact of ASC 326 on the adoption date:

	As Reported Under ASC 326	January 1, 2023 Pre-ASC 326 Adoption	Impact of ASU 326 Adoption
Assets			
Allowance for credit losses on loans			
Loans secured by real estate	\$ 1,096,604	\$ 1,007,488	\$ 89,116
Other loans	6,000	25,260	(19,260)
Total allowance for credit losses on loans	<u>\$ 1,102,604</u>	<u>\$ 1,032,748</u>	<u>\$ 69,856</u>
Liabilities			
Allowance for credit losses on off-balance-sheet credit exposures (reflected in accounts payable and accrued expenses)	<u>\$ 1,204</u>	<u>\$ -</u>	<u>\$ 1,204</u>
Net Assets Undesignated Without Donor Restrictions	<u>\$ 7,421,381</u>	<u>\$ 7,492,441</u>	<u>\$ (71,060)</u>

Note 2. Investments

Investments consisted of the following at December 31:

	2024	2023	2022
Money market mutual funds	\$ 3,291,152	\$ 52,115	\$ 205
Interest-bearing investments with other loan funds	160,170	1,464,034	1,030,284
U.S. Treasury securities	-	3,102,528	-
Mutual funds	2,459,153	2,826,867	4,710,616
Exchange-traded funds	1,584,198	902,562	1,358,650
Investment in Carolina Education and Ministry Investors Two, LLC	505,079	504,438	504,817
Real estate income fund	<u>378,679</u>	<u>442,505</u>	<u>464,712</u>
	<u>\$ 8,378,431</u>	<u>\$ 9,295,049</u>	<u>\$ 8,069,284</u>

The International Pentecostal Holiness Church Extension Loan Fund, Inc.
Notes to Financial Statements
December 31, 2024, 2023, and 2022

Net investment return is comprised of the following:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Net realized and unrealized gains (losses)	\$ 155,204	\$ 569,383	\$ (2,207,930)
Interest and dividends	913,884	685,647	387,100
Investment fees	<u>(40,406)</u>	<u>(37,449)</u>	<u>(67,552)</u>
Total net investment return	<u>\$ 1,028,682</u>	<u>\$ 1,217,581</u>	<u>\$ (1,888,382)</u>

As of December 31, 2024, 2023, and 2022, the Fund invested approximately 6.15%, 6.15%, and 6.15%, respectively, in the ownership of Carolina Education and Ministry Investors Two, LLC (CEMIT), through an investment with International Pentecostal Holiness Foundation (the "Foundation"). The Fund's investment is accounted for using the equity method. Summarized financial information for CEMIT as of and for the years ended December 31, 2024, 2023, and 2022, is shown below:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Assets	\$ 8,209,106	\$ 8,133,446	\$ 8,135,695
Liabilities	84,106	8,446	10,695
Net income	-	-	-

Note 3. Loans Receivable and Allowance for Credit Losses

Classes of loans at December 31, 2024, 2023, and 2022, include:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Loans secured by real estate	\$ 31,660,791	\$ 32,767,460	\$ 35,034,070
Other loans	<u>3,468,425</u>	<u>2,985,867</u>	<u>3,246,385</u>
	35,129,216	35,753,327	38,280,455
Net deferred loan fees	(151,348)	(172,909)	(249,669)
Allowance for credit losses	<u>(372,986)</u>	<u>(409,878)</u>	<u>(1,032,748)</u>
	<u>\$ 34,604,882</u>	<u>\$ 35,170,540</u>	<u>\$ 36,998,038</u>

Loans secured by real estate are primarily to churches for the purposes of construction or purchase of church facilities and are secured by real property. Other loans are substantially all secured by certificate balances on hand.

The International Pentecostal Holiness Church Extension Loan Fund, Inc.
Notes to Financial Statements
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At December 31, 2024, scheduled maturities of loans are as follows:

2025	\$ 11,191,875
2026	7,196,614
2027	9,562,480
2028	1,421,962
2029	1,848,298
Thereafter	<u>3,907,987</u>
	<u>\$ 35,129,216</u>

The following tables present the Fund's loan portfolio aging analysis of the investment in loans as of December 31, 2024, 2023, and 2022:

2024							
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans Receivable	Total Loans > 90 Days & Accruing
Loans secured by real estate	\$ -	\$ 209,524	\$ -	\$ 209,524	\$ 31,451,267	\$ 31,660,791	\$ -
Other loans	-	-	-	-	3,468,425	3,468,425	-
Total	<u>\$ -</u>	<u>\$ 209,524</u>	<u>\$ -</u>	<u>\$ 209,524</u>	<u>\$ 34,919,692</u>	<u>\$ 35,129,216</u>	<u>\$ -</u>
2023							
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans Receivable	Total Loans > 90 Days & Accruing
Loans secured by real estate	\$ 23,801	\$ -	\$ -	\$ 23,801	\$ 32,743,659	\$ 32,767,460	\$ -
Other loans	-	-	-	-	2,985,867	2,985,867	-
Total	<u>\$ 23,801</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,801</u>	<u>\$ 35,729,526</u>	<u>\$ 35,753,327</u>	<u>\$ -</u>
2022							
	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Loans Receivable	Total Loans > 90 Days & Accruing
Loans secured by real estate	\$ 430,028	\$ -	\$ 376,660	\$ 806,688	\$ 34,227,382	\$ 35,034,070	\$ -
Other loans	-	-	-	-	3,246,385	3,246,385	-
Total	<u>\$ 430,028</u>	<u>\$ -</u>	<u>\$ 376,660</u>	<u>\$ 806,688</u>	<u>\$ 37,473,767</u>	<u>\$ 38,280,455</u>	<u>\$ -</u>

The International Pentecostal Holiness Church Extension Loan Fund, Inc.
Notes to Financial Statements
December 31, 2024, 2023, and 2022

The following tables present the Fund's nonaccrual loans at December 31:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Loans secured by real estate	\$ -	\$ -	\$ 376,660
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 376,660</u>

The following tables present the balance in the allowance for credit losses by portfolio segment for the years ended December 31, 2024 and 2023:

	<u>2024</u>		
	<u>Loans Secured by Real Estate</u>	<u>Other Loans</u>	<u>Total</u>
Allowance for Credit Losses			
Balance, beginning of year	\$ 406,892	\$ 2,986	\$ 409,878
Provision (benefit) for credit losses	(35,996)	(896)	(36,892)
Charge-offs	-	-	-
Recoveries	-	-	-
Balance, end of year	<u>\$ 370,896</u>	<u>\$ 2,090</u>	<u>\$ 372,986</u>
Liability for Off-Balance-Sheet Credit Exposures			
Beginning balance prior to adoption of ASC 326	\$ 2,837	\$ -	\$ 2,837
Provision (benefit) for credit losses	<u>14,793</u>	<u>-</u>	<u>14,793</u>
Balance, end of year	<u>\$ 17,630</u>	<u>\$ -</u>	<u>\$ 17,630</u>

The International Pentecostal Holiness Church Extension Loan Fund, Inc.
Notes to Financial Statements
December 31, 2024, 2023, and 2022

	2023		
	Loans Secured by Real Estate	Other Loans	Total
Allowance for Credit Losses			
Beginning balance prior to adoption of ASC 326	\$ 1,007,488	\$ 25,260	\$ 1,032,748
Impact of adoption of ASC 326	89,116	(19,260)	69,856
Balance, beginning	1,096,604	6,000	1,102,604
Provision (benefit) for credit losses	(689,712)	(3,014)	(692,726)
Charge-offs	-	-	-
Recoveries	-	-	-
Balance, end of year	<u>\$ 406,892</u>	<u>\$ 2,986</u>	<u>\$ 409,878</u>
Liability for Off-Balance-Sheet Credit Exposures			
Beginning balance prior to adoption of ASC 326	\$ -	\$ -	\$ -
Impact of adoption of ASC 326	1,204	-	1,204
Balance, beginning	1,204	-	1,204
Provision (benefit) for credit losses	1,633	-	1,633
Balance, end of year	<u>\$ 2,837</u>	<u>\$ -</u>	<u>\$ 2,837</u>

The International Pentecostal Holiness Church Extension Loan Fund, Inc.
Notes to Financial Statements
December 31, 2024, 2023, and 2022

The following table presents the balance in the allowance for credit losses on loans and liability for off-balance-sheet credit exposures and the recorded investment in loans based on portfolio segment and impairment method as of and for the year ended December 31, 2022:

	2022		
	Loans Secured by Real Estate	Other Loans	Total
Allowance for Credit Losses			
Balance, beginning of year	\$ 1,019,816	\$ 35,334	\$ 1,055,150
Provision (benefit) for credit losses	(12,328)	(10,074)	(22,402)
Charge-offs	-	-	-
Recoveries	-	-	-
Balance, end of year	<u>\$ 1,007,488</u>	<u>\$ 25,260</u>	<u>\$ 1,032,748</u>
Ending balance:			
Individually evaluated for impairment	<u>\$ 695,027</u>	<u>\$ -</u>	<u>\$ 695,027</u>
Ending balance:			
Collectively evaluated for impairment	<u>\$ 312,461</u>	<u>\$ 25,260</u>	<u>\$ 337,721</u>
Loans			
Ending balance	<u>\$ 35,034,070</u>	<u>\$ 3,246,385</u>	<u>\$ 38,280,455</u>
Ending balance:			
Individually evaluated for impairment	<u>\$ 3,429,358</u>	<u>\$ 720,402</u>	<u>\$ 4,149,760</u>
Ending balance:			
Collectively evaluated for impairment	<u>\$ 31,604,712</u>	<u>\$ 2,525,983</u>	<u>\$ 34,130,695</u>

The following tables present the amortized cost basis of collateral-dependent loans by class of loan as of December 31, 2024 and 2023:

	Real Estate	2024 Certificates	Total
Loans secured by real estate	\$ 2,725,476	\$ -	\$ 2,725,476
Other loans	<u>-</u>	<u>671,714</u>	<u>671,714</u>
Total	<u>\$ 2,725,476</u>	<u>\$ 671,714</u>	<u>\$ 3,397,190</u>

The International Pentecostal Holiness Church Extension Loan Fund, Inc.
Notes to Financial Statements
December 31, 2024, 2023, and 2022

	2023
	Real Estate
Loans secured by real estate	\$ 2,762,537
Other loans	-
Total	<u>\$ 2,762,537</u>

As of December 31, 2024, the Fund had three loans that were both experiencing financial difficulty and modified during the year. The amortized cost basis of these loans at December 31, 2024, was approximately \$2,391,000. The loans were modified in 2024 to adjust payment schedule to partial principal payments. The loans modified during 2024 did not subsequently default in 2024.

As of December 31, 2023, the Fund had two loans that were both experiencing financial difficulty and modified during the year. The amortized cost basis of these loans at December 31, 2023 was approximately \$2,763,000. The loans were modified in 2023 to adjust payment schedule to partial principal payments. The loans modified during 2023 did not subsequently default in 2023.

Prior to the adoption of ASC 326, a loan was considered impaired, in accordance with the impairment accounting guidance (ASC 310-10-35-16), when based on current information and events, it is probable that the Fund will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Impaired loans include nonperforming loans but also include loans modified in trouble debt restructurings where concessions have been granted to borrowers experiencing financial difficulties. These concessions could include a reduction in the interest rate on the loan, payment extensions, forgiveness of principal, forbearance, or other actions intended to maximize collection.

As part of the ongoing monitoring of the credit quality of the Fund's loan portfolio, management tracks loans by determining if the loan is impaired or deemed unimpaired. Impaired loans by category are shown below; all other loans are considered by management to be unimpaired.

The Fund evaluates the loan risk grading system definitions and allowance for loan loss methodology on an ongoing basis. No significant changes were made to either during the past year.

As of December 31, 2022, the Fund had approximately \$3,921,000 of loans that were modified in troubled debt restructurings and impaired. The Fund uses forbearance agreements with some borrowers, allowing for reduced payments, which are included in this troubled debt restructuring total. Of the total troubled debt restructurings at December 31, 2022, four were accruing interest for a total of approximately \$3,544,000.

The International Pentecostal Holiness Church Extension Loan Fund, Inc.
Notes to Financial Statements
December 31, 2024, 2023, and 2022

The following table presents impaired loans at December 31, 2022:

	2022				
	Recorded Balance	Unpaid Principal Balance	Specific Allowance	Average Investment in Impaired Loans	Interest Income Recognized
Loans without a specific valuation allowance					
Loans secured by real estate	\$ 27,850	\$ 27,850	\$ -	\$ 322,781	\$ 1,917
Other loans	720,402	720,402	-	720,607	9,728
Loans with a specific valuation allowance					
Loans secured by real estate	3,401,508	3,401,508	695,027	3,416,476	129,021
Other loans	-	-	-	-	-
Total impaired loans	<u>\$ 4,149,760</u>	<u>\$ 4,149,760</u>	<u>\$ 695,027</u>	<u>\$ 4,459,864</u>	<u>\$ 140,666</u>

Note 4. Software and Equipment

Software and equipment, stated at cost, is as follows:

	2024	2023	2022
Software and equipment	\$ 236,073	\$ 234,661	\$ 232,261
Less accumulated depreciation	<u>217,000</u>	<u>207,245</u>	<u>197,102</u>
Software and equipment, net	<u>\$ 19,073</u>	<u>\$ 27,416</u>	<u>\$ 35,159</u>

Note 5. Certificates

The Fund issues unsecured general debt obligations in the form of fixed rate certificates, savings certificates, and individual retirement account (IRA) certificates subject to the availability, terms, conditions, and risks described in the Fund's Offering Circular.

The outstanding balances of these instruments at December 31, 2024, 2023, and 2022, were \$47,667,951, \$46,972,093, and \$48,798,710, respectively, with interest rates ranging between 0.75% – 4.99% for 2024.

The International Pentecostal Holiness Church Extension Loan Fund, Inc.
Notes to Financial Statements
December 31, 2024, 2023, and 2022

At December 31, 2024, the scheduled maturities of certificates are as follows:

2025	\$ 30,933,948
2026	8,967,170
2027	3,222,591
2028	777,005
2029	791,364
	<u>44,692,078</u>
Savings demand certificates	<u>2,975,873</u>
	<u><u>\$ 47,667,951</u></u>

At December 31, investors were concentrated in three states as follows:

2024			
	Number of Certificates	Aggregate Principal Balances	Percent of Certificate Balances Outstanding
Oklahoma	303	\$ 16,107,632	34%
Virginia	148	10,964,984	23%
North Carolina	97	6,785,754	14%
	<u>548</u>	<u>\$ 33,858,370</u>	<u>71%</u>
2023			
	Number of Certificates	Aggregate Principal Balances	Percent of Certificate Balances Outstanding
Oklahoma	330	\$ 16,390,079	35%
Virginia	151	10,539,116	22%
North Carolina	101	5,864,509	12%
	<u>582</u>	<u>\$ 32,793,704</u>	<u>69%</u>
2022			
	Number of Certificates	Aggregate Principal Balances	Percent of Certificate Balances Outstanding
Oklahoma	340	\$ 15,797,138	32%
Virginia	167	10,892,156	22%
North Carolina	120	6,869,089	14%
	<u>627</u>	<u>\$ 33,558,383</u>	<u>68%</u>

Note 6. Commitments and Credit Risk

Commitments to Originate Loans

Commitments to originate loans are agreements to lend to a borrower as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since a portion of the commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Each borrower's creditworthiness is evaluated on a case-by-case basis. The amount of collateral obtained, if deemed necessary, is based on management's credit evaluation of the counterparty. Collateral held varies, but typically includes real estate owned by churches and nonprofit organizations.

The Fund had outstanding commitments to originate loans and fund construction loans aggregating approximately \$1,500,000, \$235,000, and \$94,000 at December 31, 2024, 2023, and 2022, respectively. The commitments extended over varying periods of time with the majority to be disbursed within a one-year period.

Credit Risk

The Fund's loans are made exclusively to churches, conferences, and other affiliates of the Church. The vast majority of loans are made to churches. The repayment of loans by churches may affect the Fund's ability to meet its obligations. In most instances, the ability of churches to repay their loans will depend upon the contributions they receive from their members. Both the number of members of a church and the amount of contributions may fluctuate. In addition, a church facility may be a single-purpose building and the marketability of such a specific facility may be limited, potentially diminishing the value of such collateral in the event of foreclosure. Finally, because of the relationship of the Fund with its borrowers, the Fund has in the past been willing under certain circumstances to accommodate late payments or to extend or otherwise modify the terms of a loan. Should borrowers not be able to repay their principal and interest as scheduled, the Fund's ability to make principal and interest payments on its certificates may be collateral-dependent.

At December 31, 2024, the Fund had loans to borrowers in the states of California, Virginia, Florida, North Carolina, and Oklahoma that represented approximately 17%, 14%, 14%, 10%, and 12% of the gross loan portfolio, respectively. At December 31, 2023 the Fund had loans to borrowers in the states of California, Virginia, Florida, and North Carolina that represented approximately 15%, 15%, 15%, and 11% of the gross loan portfolio, respectively. At December 31, 2022, the Fund had loans to borrowers in the states of California, Virginia, and Florida that represented approximately 16%, 15%, and 14% of the gross loan portfolio, respectively.

Note 7. Disclosures About Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities.
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The International Pentecostal Holiness Church Extension Loan Fund, Inc.
Notes to Financial Statements
December 31, 2024, 2023, and 2022

Recurring Measurements

The following tables present the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2024, 2023, and 2022:

2024				
Fair Value Measurements Using				
	Fair Value	Level 1	Level 2	Level 3
Money market mutual funds	\$ 3,291,152	\$ 3,291,152	\$ -	\$ -
Mutual funds	2,459,153	2,459,153	-	-
Exchange traded funds	1,584,198	1,584,198	-	-

2023				
Fair Value Measurements Using				
	Fair Value	Level 1	Level 2	Level 3
Money market mutual funds	\$ 52,115	\$ 52,115	\$ -	\$ -
U.S. Treasury securities	3,102,528	3,102,528	-	-
Mutual funds	2,826,867	2,826,867	-	-
Exchange traded funds	902,562	902,562	-	-

2022				
Fair Value Measurements Using				
	Fair Value	Level 1	Level 2	Level 3
Money market mutual funds	\$ 205	\$ 205	\$ -	\$ -
Mutual funds	4,710,616	4,710,616	-	-
Exchange traded funds	1,358,650	1,358,650	-	-

Following is a description of the inputs and valuation methodologies used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2024.

Investments

Where quoted market prices are available in an active market or investments could be redeemed at cost, securities are classified within Level 1 of the valuation hierarchy. Level 1 investments include money market mutual funds, U.S. Treasury securities, mutual funds, and exchange traded funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows. The Fund does not have any investments classified as Level 2 or Level 3.

Investments not measured at fair value, such as certain interest-bearing investments with other loan funds as well as an annuity contract, a closed-in real estate investment trust, and investments in a limited liability company, are not included in this disclosure.

The International Pentecostal Holiness Church Extension Loan Fund, Inc.
Notes to Financial Statements
December 31, 2024, 2023, and 2022

Nonrecurring Measurements

The following tables present the fair value measurement of assets and liabilities measured at fair value on a nonrecurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2024, 2023, and 2022:

2024				
Fair Value Measurements Using				
	Fair Value	Level 1	Level 2	Level 3
Collateral-dependent loans	\$ 982,041	\$ -	\$ -	\$ 982,041

2023				
Fair Value Measurements Using				
	Fair Value	Level 1	Level 2	Level 3
Collateral-dependent loans	\$ 980,615	\$ -	\$ -	\$ 980,615

2022				
Fair Value Measurements Using				
	Fair Value	Level 1	Level 2	Level 3
Impaired loans (collateral-dependent)	\$ 2,706,481	\$ -	\$ -	\$ 2,706,481
Foreclosed assets held for sale	580,416	-	-	580,416

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a nonrecurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. For assets classified within Level 3 of the fair value hierarchy, the process to develop the reported fair value is described below.

Collateral-Dependent Loans, Net of Allowance for Credit Losses

The estimated fair value of collateral-dependent loans is based on the appraised or estimated fair value of the collateral, less estimated cost to sell. Collateral-dependent loans are classified within Level 3 of the fair value hierarchy.

The Fund considers the appraisal or evaluation as the starting point for determining fair value and then considers other factors and events in the environment that may affect the fair value.

Appraisals of the collateral underlying collateral-dependent loans are obtained when the loan is determined to be collateral dependent and subsequently as deemed necessary by management. Appraisals are reviewed for accuracy and consistency by management. Appraisers are selected from the list of approved appraisers maintained by management. The appraised values are reduced by discounts to consider lack of marketability and estimated cost to sell if repayment or satisfaction of the loan is dependent on the sale of the collateral. These discounts and estimates are developed by management by comparison to historical results.

Foreclosed Assets Held for Sale

The fair value is estimated using appraisals, comparable sales, and other estimates of value obtained principally from independent sources, adjusted for selling costs. Foreclosed assets held for sale are classified within Level 3 of the valuation hierarchy.

Appraisals of foreclosed assets held for sale are obtained when the real estate is acquired and subsequently as deemed necessary by management. Appraisals are reviewed for accuracy and consistency by management. Appraisers are selected from the list of approved appraisers maintained by management.

Note 8. Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Estimates related to the allowance for credit losses and foreclosed assets are reflected in *Notes 1* and *3*. Current vulnerabilities due to certain concentrations of credit risk are discussed in *Note 6*.

Borrower Concentrations

At December 31, 2024, 2023, and 2022, no borrowers had an outstanding balance greater than 5% of total assets.

Investments in Marketable Securities

The Fund 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 statements of financial position.

The International Pentecostal Holiness Church Extension Loan Fund, Inc.
Notes to Financial Statements
December 31, 2024, 2023, and 2022

Note 9. Functional Expenses

As described in *Note 1*, the financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, professional fees, pastoral development and planting churches, and other, which are allocated on the basis of estimates of time and effort. The tables below present expenses by both their nature and function.

December 31, 2024			
Functional Classification			
Natural Classification	PROGRAM Lending and Investments	Management and General	Total
Interest on savings, fixed rate certificates, and individual retirement accounts	\$ 1,610,021	\$ -	\$ 1,610,021
Provision (benefit) for credit losses	(22,099)	-	(22,099)
Salaries and benefits	256,168	196,768	452,936
Foreclosed assets, net	(1,029)	-	(1,029)
Professional fees	209,509	10,004	219,513
Other operating expenses	304,128	92,093	396,221
Total expenses	<u>\$ 2,356,698</u>	<u>\$ 298,865</u>	<u>\$ 2,655,563</u>

December 31, 2023			
Functional Classification			
Natural Classification	PROGRAM Lending and Investments	Management and General	Total
Interest on savings, fixed rate certificates, and individual retirement accounts	\$ 1,239,973	\$ -	\$ 1,239,973
Provision (benefit) for credit losses	(691,093)	-	(691,093)
Salaries and benefits	233,026	108,417	341,443
Foreclosed assets, net	25,446	-	25,446
Professional fees	201,495	11,294	212,789
Other operating expenses	478,151	149,237	627,388
Total expenses	<u>\$ 1,486,998</u>	<u>\$ 268,948</u>	<u>\$ 1,755,946</u>

The International Pentecostal Holiness Church Extension Loan Fund, Inc.
Notes to Financial Statements
December 31, 2024, 2023, and 2022

Natural Classification	December 31, 2022 Functional Classification		
	PROGRAM Lending and Investments	Management and General	Total
Interest on savings, fixed rate certificates, and individual retirement accounts	\$ 1,103,637	\$ -	\$ 1,103,637
Provision (benefit) for credit losses	(22,402)	-	(22,402)
Salaries and benefits	353,109	139,288	492,397
Foreclosed assets, net	24,355	-	24,355
Professional fees	202,736	82	202,818
Other operating expenses	235,934	126,373	362,307
Total expenses	<u>\$ 1,897,369</u>	<u>\$ 265,743</u>	<u>\$ 2,163,112</u>

Note 10. Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of December 31, 2024, 2023, and 2022, comprise the following:

	2024	2023	2022
Cash	\$ 13,824,505	\$ 10,947,621	\$ 10,626,287
Investments (excluding limited liability company and REIF)	7,494,673	8,348,106	7,099,755
Interest receivable	77,876	93,553	83,459
Scheduled loan principal amounts due in the next year	<u>12,607,178</u>	<u>14,019,403</u>	<u>14,836,240</u>
Total financial assets	34,004,232	33,408,683	32,645,741
Internal designations			
Commitments to fund loans	(1,500,000)	(235,000)	(94,014)
Internal liquidity policy of 10% of liabilities	<u>(4,779,382)</u>	<u>(4,705,446)</u>	<u>(4,886,889)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 27,724,850</u>	<u>\$ 28,468,237</u>	<u>\$ 27,664,838</u>

The Fund's management has adopted a policy requiring the Fund to maintain, at all times, cash, certificates of deposit, and investments equal to at least 10% of the Fund's principal balance on all outstanding obligations, including the certificates. At December 31, 2024, 2023, and 2022, the Fund held cash and investments equal to 46%, 43%, and 38%, respectively, of its outstanding obligations.

The Fund owes \$2,975,873 in principal to holders of certificates with no stated maturity and \$30,933,948 in certificates that mature in 2024. See *Note 5* for the scheduled maturities of all certificates.

The International Pentecostal Holiness Church Extension Loan Fund, Inc.
Notes to Financial Statements
December 31, 2024, 2023, and 2022

A portion of the certificates have a maturity of greater than one year. It has been the Fund's experience that a majority of its maturing obligations have been extended or reinvested. To the extent that demands for repayment of certificates at maturity exceed prior experience and to the extent that the availability of funds from sources other than liquid investments is reduced or limited, the Fund's financial condition may be adversely affected.

Note 11. Related Party Transactions

The Fund has various investments held in brokerage or other accounts managed by the Foundation, a related party, totaling \$505,079, \$504,438, and \$630,513 at December 31, 2024, 2023, and 2022, respectively. Investment return on these investments was \$510,711, \$23,231, and \$(344,721) for the years ended December 31, 2024, 2023, and 2022, respectively.

At December 31, 2024, 2023, and 2022, the Fund held \$7,642,314, \$7,118,651, and \$5,543,428 of certificates, respectively, for the Church and the Foundation. Interest paid on these certificates was \$269,176, \$103,567, and \$90,013 for the years ended December 31, 2024, 2023, and 2022, respectively.

The Fund gifted a building to an affiliated church with a value of \$196,173 during the year ended December 31, 2023. The gift was recorded on the statement of activities as other operating expenses.

The Fund leases its office space from an affiliate. The lease is classified as an operating lease and provides for minimum annual rent of \$12,000. The lease is on a month-to-month agreement.

Note 12. Subsequent Events

Subsequent events have been evaluated through June 6, 2025, which is the date the financial statements were available to be issued.



The International Pentecostal Holiness Church Extension Loan Fund, Inc.

**Accountant's Compilation Report and
Financial Statements**

June 30, 2025



Management is responsible for the accompanying financial statements of The International Pentecostal Holiness Church Extension Loan Fund, Inc. (the "Fund"), which comprise the statement of financial position as of June 30, 2025, and the related statement of activities for the period then ended in accordance with accounting principles generally accepted in the United States of America. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Fund's assets, liabilities, net assets, revenue, and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Forvis Mazars, LLP

**Springfield, Missouri
July 25, 2025**

**The International Pentecostal Holiness
Church Extension Loan Fund, Inc.
Statement of Activities
Six Months Ended June 30, 2025**

ASSETS

Cash	\$ 12,641,603
Investments	10,781,852
Investments held by affiliates	504,990
Loans, net of allowance for credit losses of \$351,870	33,012,131
Accrued interest receivable	83,462
Foreclosed assets held for sale, net	349,106
Foreclosed assets held for lease, net	265,236
Software and equipment, net	14,444
Other	5,317

Total Assets	\$ 57,658,141
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LIABILITIES AND NET ASSETS

Liabilities

Certificates	
Savings	\$ 2,512,508
Fixed rate certificates	42,126,141
Individual retirement accounts	2,964,675

Total Certificates	47,603,324
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Interest payable	67,434
Accounts payable and accrued expenses	48,699

Total Liabilities	47,719,457
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Net Assets Without Donor Restrictions

Undesignated	9,938,684
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Total Net Assets	9,938,684
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Total Liabilities and Net Assets	\$ 57,658,141
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**The International Pentecostal Holiness
Church Extension Loan Fund, Inc.
Statement of Activities
Six Months Ended June 30, 2025**

Revenues, Gains, and Other Support

Interest on loans	\$ 1,113,757
Net investment return	470,358
Other revenue	<u>3,887</u>

Total Revenues, Gains, and Other Support

1,588,002

Expenses and Losses

Interest on savings, fixed rate certificates, and individual retirement accounts	833,538
Benefit for credit losses	(11,745)
Salaries and benefits	269,626
Foreclosed assets, net	(10,000)
Other expenses	<u>302,947</u>

Total Expenses and Losses

1,384,366

Change in Net Assets

203,636

Net Assets, Beginning of Period

9,735,048

Net Assets, End of Period

\$ 9,938,684