

CHURCH OF GOD BY FAITH FINANCIAL SOLUTIONS, INC.

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OFFERING CIRCULAR \$10,000,000 CERTIFICATES

We – Church of God by Faith Financial Solutions, Inc., a Florida nonprofit corporation (sometimes “we,” “our,” “us,” or “COGBFFS”) – are offering up to \$10 million of unsecured debt securities, which we call “Certificates,” to raise money primarily to make loans to churches and church-related ministries adhering to the beliefs and religious principles and message of the Church of God by Faith, Inc., a Florida nonprofit corporation (“Church of God by Faith”), and who are affiliated with the Church of God by Faith and/or a district affiliated with the Church of God by Faith, along with their para-church ministries, or any religious organization that has a programmatic relationship with any of the foregoing, or the Church of God by Faith (each an “Eligible Ministry”). Certificates are either Demand Certificates, which are available only to Eligible Ministries and other church extension funds, and are payable within 30 days of demand by the owner, or Time Certificates, which have fixed durations of up to 5-year terms, and automatically renew for the same term as the original Time Certificate upon maturity unless the owner gives us written notice 30 days prior to the maturity of the Time Certificate that they do not wish it to automatically renew. Certificates redeemed prior to their maturity date are subject to the availability of funds, and Time Certificates are subject to an early redemption fee currently equal to the forfeiture of 120 days’ of interest on the amount redeemed. There is a \$2,000 minimum investment threshold for the purchase of a Certificate by a retirement account and a \$500 minimum investment threshold for the purchase of a Certificate by any other investor, although we may waive or vary the minimum investment requirement at our discretion. Interest rates we pay on our Time Certificates are generally fixed for their term, but the available interest rates offered on new Time Certificates, renewing Time Certificates, and Demand Certificates vary from time to time. The interest rates we are currently offering may be obtained by calling us at 904-574-9853, emailing us at fs@cogbf.org, or visiting our website at www.cogbffs.org.

The expenses of this offering, which we expect to be less than one percent of the total offering amount, are paid from our operating funds. This offering is not underwritten and no commissions will be paid for the sale of our Certificates. As a result, we will receive 100% of the proceeds from this offering. We offer and sell our Certificates through our officers, directors and employees; there are no outside selling agents involved in this offering.

This offering is subject to certain risks described in the “Risk Factors” section beginning on page 8.

- Not FDIC or SIPC Insured
- Not a Bank Deposit
- No Church of God by Faith Guarantee

This Offering Circular is dated May 31, 2020 and may be used until the expiration of the periods of time authorized in the various states in which we sell, which is typically twelve months.

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

THESE SECURITIES ARE ISSUED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 3(a)(4) OF THE FEDERAL SECURITIES ACT OF 1933, AS AMENDED, AND SECTION 3(C)(10) OF THE FEDERAL INVESTMENT COMPANY ACT OF 1940, AS AMENDED. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION.

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT DETERMINED THE ACCURACY, ADEQUACY, TRUTHFULNESS, OR COMPLETENESS OF THIS DOCUMENT AND HAVE NOT PASSED UPON THE MERIT OR VALUE OF THESE SECURITIES, OR APPROVED, DISAPPROVED OR ENDORSED THE OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE 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.

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

THE CERTIFICATES ARE NOT SAVINGS OR DEPOSIT ACCOUNTS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, ANY STATE BANK INSURANCE FUND OR ANY OTHER GOVERNMENTAL AGENCY. THE PAYMENT OF PRINCIPAL AND INTEREST TO AN INVESTOR IN THE CERTIFICATES IS DEPENDENT UPON THE ISSUER'S FINANCIAL CONDITION. ANY PROSPECTIVE INVESTOR IS ENTITLED TO REVIEW THE ISSUER'S FINANCIAL STATEMENTS, WHICH SHALL BE FURNISHED AT ANY TIME DURING BUSINESS HOURS UPON REQUEST. THE CERTIFICATES ARE NOT OBLIGATIONS OF, NOR GUARANTEED BY, THE CHURCH OF GOD BY FAITH OR BY ANY CHURCH, ASSEMBLY, CORPORATION, INSTITUTION OR AGENCY AFFILIATED WITH THE CHURCH OF GOD BY FAITH OTHER THAN COGBFFS.

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

INVESTORS ARE ENCOURAGED TO CONSIDER THE CONCEPT OF INVESTMENT DIVERSIFICATION WHEN DETERMINING THE AMOUNT OF CERTIFICATES THAT WOULD BE APPROPRIATE FOR THEM IN RELATION TO THEIR OVERALL INVESTMENT PORTFOLIO, RISK TOLERANCE AND PERSONAL FINANCIAL NEEDS. THE INFORMATION IN THIS OFFERING CIRCULAR IS NOT INTENDED TO BE LEGAL, INVESTMENT OR PROFESSIONAL TAX ADVICE. EACH INVESTOR'S UNIQUE CIRCUMSTANCES—FINANCIAL AND OTHERWISE—ARE IMPORTANT FACTORS IN DETERMINING THE CONSEQUENCES OF AN INVESTMENT. FOR INFORMATION ABOUT THE LEGAL, INVESTMENT OR TAX CONSEQUENCES OF INVESTING IN CERTIFICATES, YOU SHOULD CONSULT YOUR OWN ATTORNEY, ACCOUNTANT OR INVESTMENT ADVISOR.

THIS OFFERING CIRCULAR DOES NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY STATE IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED, OR IN WHICH THE PERSON MAKING SUCH

OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO, OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. NEITHER THE DELIVERY OF THIS OFFERING CIRCULAR NOR ANY SALES MADE UNDER THIS OFFERING CIRCULAR SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN OUR AFFAIRS SINCE THE DATE OF THIS OFFERING CIRCULAR.

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STATE SPECIFIC INFORMATION

Notice to Florida Residents. The Certificates being offered have not been registered in the State of Florida. The Certificates will be sold pursuant to the Eleemosynary Exemption in Florida Statutes Section 517.051(9). Offers and sales of the Certificates in Florida may only be made by persons registered with the Florida Office of Financial Regulation.

Notice to Pennsylvania Residents. If you are a resident of the State of Pennsylvania when you purchase a debt security from us, you have the right to withdraw from the purchase as provided by Section 207(m) of the Pennsylvania Securities Act of 1972. If you accept an offer to purchase the debt securities described in this Offering Circular you may elect, within two business days after the first time you receive this Offering Circular, to withdraw from your purchase or purchase agreement and receive a full refund of all monies paid by you. Your withdrawal will be without any further liability to any person. To accomplish this withdrawal, you need only send a letter, e-mail or facsimile to us indicating your intention to withdraw. The letter should be sent and postmarked prior to the end of the second business day noted above. If you are sending a letter, it is prudent to send it by certified mail, return receipt requested, to ensure that it is received and also to evidence the time when it was mailed. Should you make the request orally, you should ask for written confirmation that your request has been received.

In Pennsylvania, a church extension fund may purchase Certificates only if it is an Eligible Ministry.

Notice to South Carolina Residents. Demand Certificates are not available for sale in the State of South Carolina. Therefore, Demand Certificates offered in South Carolina have a thirty-day term. You will not have the right to redeem a Demand Certificate in South Carolina before its maturity. However, we may allow early redemption of any Certificate we issue, and we do not currently assess an early redemption penalty on Demand Certificates. Demand Certificates owned by South Carolina residents will automatically renew for successive thirty-day terms upon maturity.

If we do not pay principal or interest on your Certificate for a period of 90 days from the date of lawful demand by you, other than by clerical error or administrative oversight, you may declare an "event of default," unless you waive the default or we lawfully contest the payment. To declare an event of default, you must submit a written declaration to us. A declaration of an event of default by one South Carolina resident will constitute a default on all of our Certificates of the same class (i.e., the same type, term and offering) issued to other South Carolina investors under this Offering Circular. Upon a rightful declaration of an event of default on a Certificate, South Carolina investors shall have the right, upon written request, to obtain the names and addresses of all South Carolina investors whose Certificates are in default, and by a vote of 25% of these investors, to declare all defaulted Certificates in South Carolina due and payable in full.

SUMMARY OF THE OFFERING

This summary is provided for your convenience. Before investing, you should read this entire Offering Circular, including the attached audited financial statements (“**Financial Statements**”).

We are offering two types of unsecured debt securities, called Certificates: Time Certificates and Demand Certificates. Our Time Certificates have a fixed duration of up to 5-year terms, and automatically renew for the same term as the maturing Time Certificate if that term is then being offered, or if that term is not then being offered, for the closest, shorter term then being offered, but in each case at the then current interest rate and other terms offered for our Time Certificates of that term at that time, unless the investor gives us written notice prior to the maturity of the Time Certificate that they do not wish to reinvest the proceeds of the maturing Time Certificate. Time Certificates redeemed prior to their maturity date will be subject to the availability of funds and to an early redemption fee, currently equal to the forfeiture of 120 days’ of interest on the amount redeemed. The interest rates we pay on our Time Certificates are fixed for their term, but the interest rates offered on new Time Certificates and renewing Time Certificates vary from time to time.

Demand certificates are only available to Eligible Ministries and other church extension funds. The interest rate on our Demand Certificates is variable and may be changed from time to time by us upon notice to the owner. Demand Certificates may be redeemed in whole or in part at any time upon at least 30 days’ prior written notice to us on forms approved by us, and subject to the availability of funds and the terms of such other agreements as may exist between us and the owner, such as loan documents.

Upon a partial or complete redemption of either type of Certificate, and subject to the availability of funds, the redemption amount requested by the investor, up to the full principal amount of the Certificate together with any accrued but unpaid interest, less any penalties assessed (if applicable), will be paid by us to the investor within 30 days of our receipt of a proper redemption request and such other documentation as we may require. There is a \$2,000 minimum investment threshold for the purchase of a Certificate by a retirement account and a \$500 minimum investment threshold for the purchase of a Certificate by any other investor, although we may waive or vary the minimum investment requirement at our discretion. The interest rates we are currently offering may be obtained by calling us at 904-574-9853, emailing us at fs@cogbf.org, or visiting our website at www.cogbfff.org. Interest on investments in Certificates is paid or accrued quarterly on each March 31, June 30, September 30, and December 31, from the date of issuance until maturity or redemption. See “Description of Certificates.”

No underwriters are participating in the distribution of our Certificates and no direct or indirect underwriting discounts or commissions will be paid to anyone in connection with this offering. Sales of our Certificates will be made solely through our officers, directors and employees.

We provide loans to qualified Eligible Ministries. See “Lending Activities.” Funds that are not used to make loans are used for the other purposes described in the “Use of Proceeds” section of this Offering Circular or are invested as described in the “Investing Activities” section of this Offering Circular.

Summary of Select Financial Information

	<u>As of December 31, 2019</u>		<u>For the year ended December 31, 2019</u>
Assets:		Statement of Activities:	
Cash and cash equivalents	\$ 1,280,934	Without donor restrictions	
Investments	150,000	Support and revenues	\$ 304,307
Interest receivable	11,541	Expenses	250,748
Contributions receivable, net	150,000	Release from net assets with donor restrictions	100,000
Loans receivable, net*	3,399,344	Change in net assets without donor restrictions	\$ 153,559
Capitalized website development costs, net	906	With donor restrictions	
Total assets	<u>\$ 4,992,725</u>	Contributions	\$ 150,000
Liabilities and Net Assets:		Releases from net assets with donor restrictions	(100,000)
Accounts payable and accrued interest	\$ 1,433	Change in net assets with donor restrictions	\$ 50,000
Investment certificates	4,596,540	Change in net assets	\$ 203,559
Total liabilities	<u>\$ 4,597,973</u>	Net assets:	
Net assets without donor restrictions	\$ 244,752	Beginning of year	\$ 191,193
Net assets with donor restrictions	150,000	End of year	<u>\$ 394,752</u>
Total liabilities and net assets	<u>\$ 4,992,725</u>		

Certificate Activity:

Certificates issued	\$	1,906,459
Accrual of Interest on Certificates payable	\$	84,629
Certificates redeemed	\$	(185,342)

* Loans receivable included \$18,833 in unsecured loans, representing 1% of all loans. As of December 31, 2019, we had no loans that were delinquent ninety (90) days or more.

To purchase a Certificate, please complete and sign the investment application form included with this Offering Circular and return it to us with a check payable to Church of God by Faith Financial Solutions for the amount of your investment.

Please read the risk factors beginning on the next page.

- Not FDIC or SIPC insured
- Not a bank instrument
- No Church of God by Faith guarantee

RISK FACTORS

The purchase of our Certificates involves risk. You should carefully consider the risk factors below before making a decision to invest.

Operating History. Although the Church of God by Faith has been in existence for 103-years, we were formed in 2017, have a very limited operating history, and are subject to all of the inherent risks of a start-up company, including, but not limited to, financial and operational risks.

Unsecured Obligations. Our Certificates are our unsecured and uninsured general debt obligations. Interest and principal repayment on our Certificates, therefore, is dependent solely upon our financial condition and operations. As a holder of an unsecured debt obligation, you will have a claim on our assets equal to those of our other unsecured creditors, including our other investors.

No Sinking or Trust Fund. No sinking fund or trust indenture has been or will be established to ensure or secure repayment of our Certificates.

Senior Secured Indebtedness. In February 2019, we opened a \$150,000 line of credit with Compass Bank, secured by a certificate of deposit in the same amount, which expired in February 2020. We reserve the right to issue future obligations, or to obtain and draw upon lines of credit. Our current policy is to limit senior secured indebtedness to 10% of our tangible assets. If the organization issues senior or secured debt in the future, the claims of secured creditors would have priority over the claims of Certificate owners, and the ability to repay the Certificates may be compromised. See “Description of Certificates” for more information. As of the date of this Offering Circular, we had no outstanding senior secured indebtedness.

A prolonged economic slowdown or lengthy or severe recession could negatively affect our borrowers’ ability to repay their loans. During a period of economic slowdown or recession, our borrowers may experience increased difficulty in making timely payments of principal and interest on our loans, particularly if the period is prolonged. This could result in a need to restructure some loans to provide more flexible payment terms to our borrowers or to rely upon the collateral for repayment, which may not be sufficient to satisfy all amounts owed. This could also result in a need to increase our provision for doubtful loans, which would negatively impact our profitability.

Concentration of Loans Receivable in Limited Number of Borrowers. A significant number of our loans are owed by one borrower, the Church of God by Faith. If the Church of God by Faith is unable to repay its loans, and the individual churches on whose behalf the Church of God by Faith entered into the loan do not assume the obligation, our own ability to make interest and principal payments on certificates could be adversely affected. See “Lending Activities – Loans to the Church of God by Faith” and “History and Operations – Relationship to the Church of God by Faith.”

Geographic Concentration of Loans. As of December 31, 2019, approximately 64%, 15%, and 14% of the outstanding principal amount of our loans receivable, were owed by borrowers in FL, GA, and NY, respectively. Adverse economic conditions, a reduction in population, or the loss of purchasing power by residents in these states could correspondingly reduce the amount of contributions borrowing churches and organizations receive from their members. This, in turn, could adversely affect the ability of these borrowers to repay their loans. In addition, if real estate values were to decline in these areas due to the above factors, earthquakes, floods, droughts, other acts of nature, acts of terrorism, or any other reason, the decline could adversely affect the value of the properties serving as collateral for these loans. See also “Lending Activities.”

Collateral Value May Not Be Sufficient. We typically do not require appraisals on our collateral as part of the loan application process. As a result, the fair value of a specific property securing a loan may be less than we believe. We have not adopted a formal policy limiting the ratio of the value of the property securing the loans to the amount of the loan, but will generally limit the amount to 75% of the cost of constructing or remodeling a building. Because the market for denominational buildings is limited, their market value may be substantially

less than the cost of constructing or remodeling them. Accordingly, if we were to foreclose on collateral securing a loan, we may not be able to sell the property at a price sufficient to satisfy the debt it secured.

Borrowers Supported by Voluntary Contributions. Our loans are made to Eligible Ministries. In most instances, the ability of those borrowers to repay their loans will depend upon contributions they receive from their members. Both the number of members of a borrower and the amount of contributions made to a borrower may fluctuate, which could adversely affect its ability to repay its loan. Membership or contributions may fluctuate for a number of reasons, including, but not limited to, the strength of the economy, the economic health of major employers in the area, population shifts in the region where the borrower is located, or changes in the leadership of the borrower. The inability of our borrowers to make timely payments on their loans would adversely affect our ability to make interest and principal payments on our Certificates. See “Lending Activities.”

Financial Condition of Issuer. Our annual operating income would not be sufficient to meet all interest and principal repayment requirements in the event that all maturing Certificates were redeemed at maturity. We may, therefore, be dependent upon principal repayments on our outstanding loans, the sale of new Certificates, or the sale of some of our investments in order to repay maturing Certificates. If our borrowers are unable to make principal repayments on their loans, or if our sales of new Certificates decline, our ability to repay the Certificates will be adversely affected.

Requests to Redeem Our Certificates Could Exceed Available Funds. As of December 31, 2019, we had \$2,075,824 of Demand Certificates, \$464,796 of our Time Certificates were scheduled to mature in the fiscal year ending December 31, 2020, and \$2,055,920 of our Time Certificates were scheduled to mature in 2021 or thereafter. All Certificates are payable upon 30 days’ notice of redemption by our investors. As of December 31, 2019, we had funds available in cash, cash equivalents, and liquid invested funds totaling \$1,430,934, including the \$150,000 certificate of deposit pledged as collateral for our line of credit, representing approximately 31% of the total principal amount of our outstanding Certificates. Accordingly, it is possible that future redemption requests could exceed our available funds. If this happens, we might be required to sell or liquidate assets, including our loans receivable. We cannot assure you that we would be able to sell or liquidate assets on a timely basis, or that the proceeds from such a sale or liquidation would cover all requests to redeem our outstanding Certificates at maturity or otherwise.

To repay their loans to us, churches depend on contributions from their congregations, which may not be forthcoming. All of our loans have been made to churches and church-related organizations. The ability of churches to repay their loans will depend on the contributions they receive from their local congregations. In the event that a church or organization, including the Church of God by Faith, experiences a reduction in contributions, its ability to repay its loan will be adversely affected.

Expected Renewal Rates May Not Materialize. We expect, but cannot guarantee, that the majority of maturing Time Certificates will be renewed upon maturity. If this assumption does not materialize, or if a significant amount of Certificates are redeemed in a short period of time, we could have difficulty repaying our Certificates when they mature or upon request for redemption, as applicable. See “Description of Certificates – Outstanding Certificates” for information on our maturing Time Certificates.

Not Comparable to a Commercial Lender. We only loan funds to Eligible Ministries. The interest rates for those loans may be at or below the rate of interest charged by commercial lenders at the time of the loan. In addition, because of our relationship with our borrowers, including the Church of God by Faith, we may accommodate partial, deferred or late payments from our borrowers, and may restructure or refinance loans in situations where a typical commercial lender would not. Accordingly, we may make loans to borrowers who are not able to secure financing from commercial lenders. See “Lending Activities” and “History and Operations – Relationship to the Church of God by Faith.”

Not All Loans Secured. Although we do not typically offer unsecured loans, we did make 2 unsecured loans in 2017 and 2 unsecured loans in 2018 to assist churches that are owned or controlled by or are being purchased by the Church of God by Faith under extenuating circumstances. The absence of adequate collateral

for these loans may increase the likelihood of not collecting them in full. See “Lending Activities – Unsecured Loans.”

Construction Loan Risks. Many of the loans we make are used for the construction of new facilities or the renovation of existing facilities. There may not be a fixed-price construction contract for this work and the contractor may not post a completion bond. In addition, possible delays in completion may occur due to, among other things, shortages of materials, possible strikes, hurricanes or other acts of nature, delays in obtaining necessary building permits or architectural certificates, environmental regulations or fuel or energy shortages. We may not obtain architectural certifications or lien waivers prior to the disbursement of construction payments, and we may rely instead on the representations of the borrower. If these representations are incorrect, we may advance more money than is warranted by the construction completed or the lien waivers obtained. Substantial increases in construction costs or delays in or failure to complete construction could adversely affect the borrower’s ability to repay its loan and the value of the collateral securing the loan.

Right to Change Policies. At various points in this Offering Circular we describe our policies, such as our loan policies and our investment policies. These descriptions are intended to help you understand our current operations. We reserve the right to change our policies and procedures generally, including our loan and investment policies.

No Market or Transferability; Early Redemption Fee. There is no public market for our Certificates and none is expected to develop. Our Certificates, once issued, are ordinarily not transferable. Time Certificates redeemed prior to the maturity date are subject to the availability of funds and an early redemption fee, currently equal to the forfeiture of 120 days’ of interest on the amount redeemed. Investors who purchase our Certificates through their IRA or other retirement account should be aware that all interest on Certificates accrues and is not paid until maturity or redemption, so interest payments on Certificates will not be available to contribute to minimum distributions that may be required by those accounts. See “Description of Certificates – Retirement Accounts.” Accordingly, prospective investors should view their purchase of our Time Certificates as an investment of the full amount for its full term. See “Description of Certificates.”

Book Value May Not Equal Actual Value. The book value of our financial instruments and other assets set forth in this Offering Circular and our Financial Statements may not reflect the actual value we would receive in a sale of these assets. From time to time, we may sell certain assets to provide liquidity or for other purposes. See “Investing Activities.”

Investment Risks. Any assets we invest directly or indirectly are subject to various market and investment risks that may cause us to incur losses if investment values decline. Our investments may include both fixed income and equity securities. For information regarding our investment results and a general discussion of our investment policies, see “Investing Activities.” Our past investment performance does not indicate how our investments will perform in the future.

No Church of God by Faith Guarantee. Neither the Church of God by Faith nor any church, assembly, corporation, institution or agency affiliated with the Church of God by Faith, nor any other guarantor, has guaranteed the repayment of our Certificates. You must rely solely on our assets and the cash flow from our operations for repayment.

Not FDIC or SIPC Insured. Our Certificates are not certificates of deposit or deposit accounts with any bank, savings and loan association, credit union or other financial institution regulated by state or federal authorities, and they are not FDIC insured. In addition, our Certificates are not protected by the Securities Investor Protection Corporation or any other federal or state authority, regulatory agency, or any other person or entity. Furthermore, the risks of investment in our Certificates may be greater than implied by the interest rates paid on them. Our Certificates are subject to investment risks, including the possible loss of principal invested.

Our Collateral May Be Uninsured or Inadequately Insured. It is generally our policy to require evidence of property and liability insurance in an amount sufficient to cover our loans at the time they are made. There is a chance, however, that continuing insurance coverage may become unavailable or prohibitively expensive, may be limited, or may be terminated or lapse. As a result, the buildings and other improvements that secure our loans may be uninsured or inadequately insured by the borrower. Accordingly, if fire, hurricanes or other casualty damages our collateral, we may not be able to recover against it.

Federal and State Laws. Future changes in federal or state laws, rules, or regulations regarding the sale of debt obligations of religious, charitable, or other non-profit organizations may make it more difficult, costly, or even impossible for us to offer and sell our Certificates in the future. This could limit or eliminate your ability to buy our Certificates or reinvest the proceeds of your maturing Time Certificate, and, consequently, our ability to repay our maturing Time Certificates could be adversely affected. Further, while we strive to comply with all applicable laws, if we find that we have not done so in all cases, it is possible that we may be subject to future regulatory actions, which could include fines, orders or the institution of repurchase offers.

Concentration of Investors. As of December 31, 2019, approximately 61%, 22%, and 8% of the outstanding principal amount of our Certificates were owned by investors in FL, CO, and GA, respectively. Adverse economic conditions in these states could correspondingly result in decreased reinvestment rates for maturing Time Certificates in these states and increased requests for redemptions of outstanding Certificates. In addition, as of that same date, \$2,964,919 or 65% of our Certificates were held by 38 investors who each held more than \$25,001 in our Certificates. In addition, as of that same date, one investor held a Certificate that represented 22% of the total portfolio, and five investors held Certificates that represented 36% of the total portfolio. Decreased reinvestments or increased redemptions by these large investors or the geographically concentrated investors could adversely affect our liquidity, our ability to operate our loan programs, and ultimately our ability to repay our Certificates. See also “Description of Certificates.”

Purpose Tied to Church of God by Faith Objectives. While we are a separate corporation, we are closely affiliated with other agencies, assemblies and institutions in the Church of God by Faith and exist primarily to assist Eligible Ministries by making loans primarily to Eligible Ministries for the acquisition of land and buildings, the construction of facilities (including church facilities, and any other facilities operated by Eligible Ministries), renovation or expansion of existing facilities, the provision of financing for short term cash flow needs, and refinancing or consolidation of existing debt incurred for any of the preceding purposes (“**Ministry Activities**”). See “History and Operations,” “Use of Proceeds,” and “Management.” Because we are so closely related to the Church of God by Faith, our actions may not be entirely independent, and may be influenced by the direction set for us by the Church of God by Faith from time to time. Although our directors have a duty to protect the interests of our investors, they may be influenced to some extent by loyalty to the Church of God by Faith, on whose board they also sit and who is an individually significant borrower, in deciding whether to approve loan applications or to foreclose mortgages given by defaulting borrowers, including loans to or mortgages given by the Church of God by Faith.

Our Time Certificates Renew Automatically. If you do not inform us in writing 30 days prior to maturity that you want to redeem your Time Certificate, we will automatically reinvest the principal and accrued interest in a new Time Certificate of the same or similar term (if permitted to do so under the laws of your state of residency) and generally at the interest rate and other terms then in effect for our Time Certificates of that term.

Liquidity Risk. Since at any given time a substantial portion of our assets will be invested in long term loans that are not liquid, and since our only source of funds are investments in the Certificates, payments of principal and interest on the loans, and income on the investment of our capital and reserves, we might be unable to repay all investors seeking repayment if a substantial number of them seek repayment within a short period of one another. There is no provision for a sinking fund requiring periodic deposits for application to redemption of Certificates or payment of Time Certificates as they become due. We rely on our liquidity to meet these obligations. See “Description of Certificates – Outstanding Certificates” for information on our maturing Time Certificates.

Potential Environmental Liability. We do not typically conduct a complete environmental audit before approving a loan. If environmental pollution or other contamination is found on or near property securing a loan, we could, in some cases, face environmental liability or our security for the loan could be impaired. In addition, changes in environmental regulations could require the borrower to incur substantial unexpected expenses to comply with such regulations, and this could impair both the value of the collateral and the borrower's ability to repay us. If we foreclose on property containing environmental waste, we could be assessed substantial clean-up costs and penalties as an owner of that property. Under various federal, state and local environmental laws, ordinances and regulations, a current or previous owner or operator of real estate may be required to investigate and clean up hazardous or toxic substances or petroleum products released at the property, and may be held liable to a government entity or to third parties for property damage and for investigation and clean-up costs incurred by these parties in connection with the contamination. The costs of investigation, remediation or removal of these substances may be substantial, and the presence of these substances, or the failure to properly remediate the property, may adversely affect the borrower'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 or toxic 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.

Liability for Debts of the Church of God by Faith. As a separate corporation from the Church of God by Faith, we are generally not liable for claims against the Church of God by Faith, any church or church property owned or controlled by the Church of God by Faith, or any of its other agencies, assemblies or institutions. It is possible, however, that in the event of claims against the Church of God by Faith, any church or church property owned or controlled by the Church of God by Faith, or any of its other agencies, assemblies or institutions, the claimants might contend that we also are liable. Our loans to churches owned, controlled, or guaranteed by the Church of God by Faith could also be negatively impacted by a claim against the Church of God by Faith. See "History and Operations – Relationship to the Church of God by Faith."

No Right to Participate in Management. Purchasing a Certificate will not give you voting rights or any other rights to participate in our management.

Investor's Tax Consequences. Interest accrued on our Certificates will be taxable as ordinary income to you in the year it is accrued even though it will not be paid until the Certificate is redeemed, whether at maturity or otherwise. This differential in the timing of the receipt of income and the taxes due on that income will require taxable investors to cover the taxes on accrued interest from other sources. See "Tax Aspects."

We May Redeem Certificates Prior to Their Maturity. We reserve the right to redeem our outstanding Certificates. See "Description of Certificates – Prepayment."

You May Not Be Able to Add to, or Reinvest in, Certificates. While we intend to maintain all required securities registrations and exemptions, we are not now registered or exempt in all states and our Certificates may not continue to be registered or exempt in the states where we currently sell Certificates. Accordingly, you may not be able to invest additional amounts in your Certificates or reinvest the proceeds of your maturing Time Certificate with us if you live in a state where our Certificates are not registered or exempt at the time of the attempted addition or reinvestment. In addition, we are not obligated to accept any investment.

Our Ability to Foreclose on Collateral May Be Limited. Our remedies as a creditor upon default by any of our borrowers are subject to limitations and borrower protections imposed under various laws, regulations and legal principles that provide protections to borrowers. Our legal and contractual remedies, including those specified in our commitment letters, promissory notes, mortgages and deeds of trust, pledge agreements and other loan documents (collectively, "**Loan Documents**"), typically require judicial actions, which are often subject to discretion and delay. Under existing law (including, without limitation, the Federal Bankruptcy Code), the remedies specified by our Loan 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 Documents. In addition, the laws of a particular jurisdiction may change or make it impractical or impossible to enforce specific covenants in the Loan Documents. We do not anticipate obtaining personal guarantees on our loans.

Collateral May Be Impaired. The various security interests established under our Loan Documents will be subject to other claims and interests that may reduce or eliminate the value of collateral to us. 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 otherwise imposed or conferred by any court, including the exercise of its equitable jurisdiction; and federal bankruptcy laws or bankruptcy laws of another jurisdiction affecting amounts earned by the borrower after institution of bankruptcy proceedings by or against the borrower.

Reliance on Tax-exempt Status. We are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (“**Internal Revenue Code**”). We are subject to federal income tax on any unrelated business taxable income and we are subject to a number of requirements affecting our operations in order to receive and maintain tax-exempt status. If we at any time fail to qualify for tax-exemption under Section 501(c)(3) of the Internal Revenue Code, that failure could affect the funds available for payment to investors by limiting our ability to continue selling Certificates under otherwise applicable securities law exemptions and by subjecting us to federal or state income taxation.

Volatility of Current Economy. Given the volatility of current economic conditions, the values of our assets and liabilities could change, resulting in future adjustments in asset values, loan loss reserves or net assets.

Digital Technologies. We utilize digital and cloud-based technologies and services in our operations, many of which are provided by third party vendors. We rely upon these vendors and these technologies and services for maintaining, processing, delivering, transmitting and storing proprietary data and other records related to our business. This data includes confidential investor information. Unauthorized disclosure of this information could lead to loss of faith in our ability to protect confidential information and therefore harm our ability to retain customers, borrowers and investors and gain new ones. Storing and delivering electronic data has inherent risks, including, without limit, intentional or unintentional unauthorized access to data, data theft, temporary or permanent loss of data, and hardware and software failure. While we and our vendors have taken steps to protect against these risks, due in part to the evolving nature of these risks there is no guarantee these measures will be 100% effective in safeguarding the electronic data we maintain or the services we utilize, and may be insufficient, circumvented, or become obsolete. Our insurance coverage may not be adequate to cover all the costs related to cyber incidents or disruptions resulting from such events. If you choose to utilize our digital services, we can offer no assurances or make any warranties as to the accuracy, availability and security of such technologies or the data contained therein.

The outbreak of the novel strain of coronavirus, SARS-CoV-2, which causes COVID-19, could adversely impact our business. The coronavirus situation and the related warnings, advice, guidance, and mandates of government authorities and infection disease experts, including to avoid travel and in-person meetings and preferential or protective government actions, could interrupt our key activities, limit our employee resources, increase our use of digital technologies and the risks associated with them, and have a material adverse impact on our operations (including operations provided by third-party vendors), financial condition (including cash flow, liquidity, loan repayments, collateral values, loan defaults, loan loss reserves, and investment performance), compliance with loan covenants, and financial results. The coronavirus situation has resulted in significant financial market volatility and uncertainty, and we are exposed to the risks of an economic recession, market volatility, and economic and financial crisis. The coronavirus situation and any resultant economic recession or other severe economic disruption in the U.S. or a particular region may also result in decreased contributions to our borrowers, with whom we have a relationship that may differ from commercial lenders, and could adversely affect their ability to fulfill their obligations to us and the value of our collateral. We may defer loan payments or make other loan modifications to accommodate our borrowers, and these accommodations could negatively impact our operations.

Due to the speed with which the coronavirus situation is developing and the unknown duration and severity of the event, the extent to which the event may impact our business will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions and actions to contain the outbreak or treat its impact, such as social distancing and quarantines or lock-downs, business closures or business disruptions, the effectiveness of actions taken to contain and treat the disease, and the overall impact on the economy as well as on our borrowers and investors.

This Offering Circular contains forward-looking statements about our plans, strategies, objectives, goals and expectations. These forward-looking statements are identifiable by words or phrases indicating that we “expect,” “anticipate,” “project,” “plan,” “believe,” or “intend” that a particular event may or will occur in the future or similarly stated expectations. These forward-looking statements are subject to many factors, including the risks above, which could cause actual results to differ materially from the stated expectations. We undertake no obligations to update or revise any forward-looking statement to reflect developments or information obtained after the date of this Offering Circular.

Accordingly, prospective investors should not consider forward-looking statements as predictions of future events or circumstances. A number of factors could cause actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by our forward-looking statements. These factors included, but are not limited to: changes in economic conditions in general and in our business in particular; changes in prevailing interest rates and the availability of and terms of financing to fund our business; changes in our capital expenditure plans; and other factors discussed in this Offering Circular. Given these uncertainties, prospective investors should not rely on forward-looking statements in making an investment decision. We disclaim any obligation to update investors on any factors that may affect the likelihood of realization of our expectations.

All written and oral forward-looking statements attributable to us, including statements before or after the date of this Offering Circular, are deemed to be supplements to this Offering Circular and are incorporated in this Offering Circular and are expressly qualified by these cautionary statements.

Although we believe that the forward-looking statements are reasonable, prospective investors should not place undue reliance on any forward-looking statements, which speak only as of the date made. Prospective investors should understand that factors discussed under the section entitled “Risk Factors” could affect our future results and performance. This could cause those results to differ materially from those expressed in the forward-looking statements.

HISTORY AND OPERATIONS

General

We were formed in 2017 by the Church of God by Faith to provide an efficient mechanism by which Church of God by Faith members could indirectly provide capital to Eligible Ministries for Ministry Activities. Church of God by Faith members lend money to us by purchasing our Certificates, and we, in turn, use the proceeds from those investments to support our mission of making loans to Eligible Ministries for Ministry Activities.

We are organized and operated exclusively for religious and charitable purposes and are a tax exempt entity under Section 501(c)(3) of the Internal Revenue Code. No part of our net earnings inures to the benefit of any person. Unlike a for-profit corporation, we seek primarily to fulfill our charitable mission rather than focus on maximizing or increasing profits.

The funds we use to make loans comes from (a) our operations, including interest earned on the loans we make and interest and dividends received on our investments, (b) gifts and bequests, and (c) proceeds from the sale of our Certificates. Information about our Certificates can be found in “Description of Certificates;” information about our lending activities can be found in “Lending Activities;” information about our investment

activities can be found in “Investing Activities;” and information about our management can be found in “Management.”

We operate primarily out of our office located at 2409 Old Middleburg Road N., Jacksonville, FL 32210, with a telephone number of (904) 574-9853. Personnel in our offices are responsible for answering questions prospective investors may have about our Certificates or this offering and for managing all aspects of our loan operations, for processing loan payments and investments in Certificates, for distributing offering materials, and for managing our outstanding Certificates.

Relationship to the Church of God by Faith

We were chartered in 2017 to assist the Church of God by Faith and its members in the generation of resources to support loans to Eligible Ministries for Ministry Activities, and to strengthen causes of the Christian faith by encouraging people to exercise biblical stewardship through tithing and estate gifts. Our directors are chosen by the Board of Directors of Church of God by Faith from among their members. We also share officers, staff, office space and office equipment with the Church of God by Faith, who also covers many of those expenses on our behalf. The Church of God by Faith made an irrevocable pledge to give \$300,000 to us in equal installments of \$100,000 in 2017, 2018 and 2019 to initially capitalize and further establish us in our formative years. In 2019, the Church of God by Faith made an additional irrevocable pledge to give us \$150,000 in 2020. Accordingly, while we maintain a separate corporate identity, our purposes, board members, officers, staff, and offices are interwoven with those of the Church of God by Faith.

USE OF PROCEEDS

Proceeds received from the sale of our Certificates are added to our general operating funds pending utilization for other purposes. The primary purpose is to make loans to Eligible Ministries for Ministry Activities. Proceeds received from the sale of Certificates are not designated for specific capital projects or loans. In the normal course of our operations, we make loan commitments for specific projects based upon the availability of funds and in accordance with our loan policies, and we may use proceeds from the sale of our Certificates to fund all or a portion of our loan commitments. The “Lending Activities” section of this Offering Circular contains more detailed information on the use of proceeds for making loans.

We may also use a portion of the proceeds from the sale of our Certificates to meet interest and principal payments on Certificates, to pay the expenses of this offering, including printing and mailing expenses, attorneys’ and accountants’ fees, and securities registration and exemption filing fees, to cover our operating expenses, and to maintain a reasonable degree of liquidity. See the “Description of Certificates” section of this Offering Circular for more information on our interest and principal payments and the “Investing Activities” section of this Offering Circular for more information on our liquid assets.

Proceeds may also be used to make grants. No formal grant program is currently in place, and we do not have any current intention to issue grants. In the event that we do begin issuing grants, the amount of grants we issue would not be tied to the proceeds from the sale of our Certificates and would be limited to support our compliance with the Financial Standards of the NASAA Statement of Policy Regarding Church Extension Fund Securities.

DESCRIPTION OF CERTIFICATES

While the general terms of our Certificates are described below, we reserve the right to vary the terms of our Certificates from time to time for promotional or other purposes.

Time Certificates

Time Certificates have a fixed duration of up to 5-year terms, and automatically renew for the same term as the original Time Certificate upon maturity unless the investor gives us written notice prior to the maturity of the Certificate that they do not wish to reinvest the proceeds of the maturing Time Certificate. Time Certificates redeemed prior to their maturity date will be subject to the availability of funds and an early

redemption fee, currently equal to the forfeiture of 120 days' of interest on the amount redeemed. Redemption of a Time Certificate must be for the entire amount of that Time Certificate, although we may waive or vary this policy at our discretion. The interest rates we pay on our Time Certificates are fixed for their term, but the interest rates offered on new Time Certificates and renewing Time Certificates vary from time to time.

Demand Certificates

Demand Certificates are only available to Eligible Ministries and other church extension funds. The interest rate on Demand Certificates is variable and may be changed from time to time by us upon notice to the investor. Demand Certificates may be redeemed in whole or in part at any time upon at least 30 days' prior written notice to us on forms approved by us, together with such other documentation as we may require, and subject to the availability of funds and the terms of such other agreements as may exist between us and the investor, such as loan documents.

Minimum Investment

The minimum investment in one of our Certificates by a retirement account is \$2,000 and the minimum investment in one of our Certificates by any other investor is \$500. We may waive or vary the minimum investment requirement at our discretion. Our Certificates are available for any amount in excess of this minimum.

Interest Rates

Interest rates on our Time Certificates are fixed for their term. Interest rates on our Demand Certificates are adjustable and vary from time to time. The interest rates we are currently offering may be obtained by calling us at 904-574-9853, emailing us at fs@cogbf.org, or visiting our website at www.cogbfff.org. Interest on Certificates is paid or accrued quarterly on each March 31, June 30, September 30, and December 31, following our collection of invested funds.

Retirement Accounts

Our Certificates may be purchased by Individual Retirement Accounts ("IRAs") or other types of retirement accounts. Any individual who wishes to purchase one of our Certificates as part of an IRA or retirement account portfolio may do so through the custodian of a self-directed IRA or other self-directed retirement account. A self-directed IRA is an individual retirement account that allows the holder the option of selecting investment vehicles for the IRA account. Due to the fixed term of our Time Certificates and the ability to elect the accrual of interest (as opposed to the periodic payment of interest), we are not able to provide for minimum distributions that may be required by an IRA or other retirement account, and IRA or other retirement account investors should take this into consideration when making their investment decision. Investors who invest through their IRA should consider whether the investment is in accordance with the documents and instruments governing the IRA; whether there is sufficient liquidity in the IRA should the IRA's beneficiary need to take a mandatory distribution; and whether the investment could constitute a non-exempted prohibited transaction under applicable law. Consultation with a competent financial and tax adviser is recommended. See also "Tax Aspects."

Book Entry System

We use a book entry system to record ownership and invested balances for all of our newly issued Certificates. Under this system, we keep an electronic record of your investments in Certificates. The actual terms of your Certificates will be as set forth in the Offering Circular, including the applicable Summary of Certificate Terms attached to the version of our Offering Circular that is effective as of the date of your initial investment, or the date of renewal for a maturing Time Certificate or the addition of funds to your Demand Certificate, whichever is later. Instead of a paper certificate, transactions in the Certificates will be reflected in investment confirmations and periodic account statements provided to investors.

Maturity of Time Certificates; Failure to Notify

At least 60 days prior to the maturity of a Time Certificate, we will send you written notice of the approaching maturity date. At the maturity of a Time Certificate, the Time Certificate will automatically renew unless you give us written notice 30 days prior to the maturity date that you wish to redeem it at maturity. You will have the option at that time to receive full payment of principal and accrued interest or to reinvest all or part of the principal and accrued interest in a new Certificate, subject to the minimum investment requirements. If you do not provide written notification to us, and if permitted by the law of your state of residence, we will automatically reinvest the maturing principal and any accrued interest in a new Time Certificate for the same term if that term is then being offered, or if that term is not then being offered, for the closest, shorter term then being offered, but generally in each case at the then current interest rate and other terms offered for our Time Certificates of that term at that time.

Redemption

Upon a partial or complete redemption of either type of Certificate, and subject to the availability of funds, the redemption amount requested by the investor, up to the full principal amount of the Certificate together with any accrued but unpaid interest, less any penalties assessed (if applicable), will be paid by us to the investor within 30 days of our receipt of a proper redemption request and such other documentation as we may require.

Investors have the right to redeem their Time Certificate prior to its maturity, subject to the availability of funds and the payment of an early redemption fee. As of the date of this Offering Circular, the early redemption fee was equal to 120 days' of interest on the amount redeemed. We may increase, waive or vary the early redemption fee from time to time either as part of a larger promotion or in specific circumstances, such as upon the request of a joint tenant, executor, or personal representative following the death of an investor. A letter requesting early redemption accompanied by a death certificate may be required for the waiver or variation of the early redemption fee in the event of a death.

Prepayment

We may redeem Certificates at any time upon 30 days' written notice to the investor, without premium, but with accrued interest to the date of redemption.

Non-transferable

Our Certificates are ordinarily not transferable. However, an investor may send us a request for transfer on a form we approve for our consideration. If the request for transfer is acceptable to us in our sole discretion, we will issue a new Certificate in book entry form in the name of the requested transferee.

Priority

Our Certificates are our unsecured general debt obligations, and each investor will have an equal claim against our assets with other investors and unsecured creditors. In the event of our liquidation or any distribution of our assets upon bankruptcy, reorganization or similar proceedings, all of our unsecured debt obligations, including the Certificates, will have an equivalent claim to our assets. With respect to any senior secured indebtedness we incur, including any outstanding balance on a secured line of credit, the creditor issuing that debt to us will have a higher priority claim to our assets than will investors in our Certificates. While no assurance can be given that we will not at some future date issue obligations that will have a higher priority claim to our assets or incur other senior indebtedness, we do currently have a policy that the amount of any such senior secured indebtedness shall not exceed ten percent (10%) of our tangible assets. Our failure to pay principal and interest on a Certificate when due and requested will be an event of default, but only as to that Certificate.

We are solely responsible for repayment to our investors. Should we be unable to meet our obligations to investors, investors will have no recourse against the Church of God by Faith or any other entity or organization affiliated with the Church of God by Faith.

Governing Law

Our Certificates shall be deemed to have been made in the State of Florida, and any action arising out of them shall be governed by the laws of the State of Florida that are applied to contracts made or to be performed in that state. Any action arising out of the Demand Certificate may be brought in any County or Circuit Court for the State of Florida, or in the United States District Court for the Middle District of Florida.

Outstanding Certificates

The average weighted interest rate on our Certificates was approximately 2.486% (unaudited) on December 31, 2019. The following tables describe our outstanding Certificates as of December 31, 2019:

Unaudited			Audited		
Term (months)	Number	Aggregate Principal Balance	Maturing during fiscal year ending December 31	Aggregate Principal Balance	
Demand	77	\$ 2,075,824	Demand	\$ 2,075,824	
12	42	149,905	2020	464,796	
18	26	105,620	2021	614,875	
24	117	415,120	2022	283,454	
36	43	429,659	2023	676,521	
60	183	1,420,412	2024	481,070	
Totals	488	\$ 4,596,540	Total	\$ 4,596,540	

Recent Sales and Redemptions

For the fiscal year ended December 31, 2019, we sold \$1,906,459 of Certificates. During that same period, investors redeemed a total of \$185,342 of Certificates.

LENDING ACTIVITIES

General

We make loans primarily to Eligible Ministries for Ministry Activities. To obtain a loan, an Eligible Ministry must submit a loan application on a standard form we provide that contains relevant statistical and financial information about the Eligible Ministry's congregation, if applicable, and the proposed Ministry Activity to be financed, as well as a certification that the Eligible Ministry has properly authorized the proposed loan. Our staff members evaluate the application and present it to our Board of Directors with their recommendations. Our Board of Directors evaluates the application and either approves or disapproves it. If approved, the Board also determines the terms at which the loan will be offered to the potential borrower.

When considering a loan application, we will review data on construction costs if applicable, the value of the property to be mortgaged if applicable, and the financial capability of the Eligible Ministry to repay the loan. We may have a staff member inspect the property to be mortgaged and review cost estimates secured by the Eligible Ministry's building committee, if applicable. We may also from time-to-time obtain an independent appraisal of the property to be mortgaged, although this is not done in all cases and we are not obligated to do so. Most loans we make will be secured by a first or second mortgage lien on real property. The priority of each lien over all other liens on the mortgaged property is often evidenced by a title search or a mortgagee's title insurance policy issued by a title insurance company licensed to do business in the state where the property is located, though again, this is not done in all cases and we are not obligated to obtain this insurance.

Loans Outstanding

As of December 31, 2019, we had 21 loans outstanding with maturities ranging from 2020 through 2030. The table below shows the distribution of those loans by principal outstanding loan balances in the ranges indicated:

<u>Principal Loan Balance</u>	<u>Number of Loans</u>	<u>Aggregate Principal Outstanding</u>	<u>Percent of Total Loan Principal Outstanding</u>
\$100,000 or less	9	\$ 282,857	8.1%
\$100,001 - \$200,000	7	1,012,421	29.0%
Over \$200,001	5	2,191,250	62.9%
Totals	21	\$ 3,486,528	100.0%

These loans were secured primarily by mortgages or deeds of trust on property located in AL, NY, GA, PA, MI, SC, and FL. The weighted average of the interest rates on all of our outstanding loans as of December 31, 2019, was approximately 5.44% (unaudited).

During the fiscal year ended December 31, 2019, we received \$155,191 in payments of principal and \$156,805 in payments of interest on our outstanding loans. The table below sets forth the principal payments scheduled to be received on all outstanding loans in future fiscal years ended December 31, based on December 31, 2019, data:

<u>Year ended December 31,</u>	<u>Principal Due</u>
2020	\$ 176,444
2021	178,752
2022	269,349
2023	1,027,691
2024	894,458
Thereafter	939,834
Total	<u>\$ 3,486,528</u>

Unsecured Loans

Although we do not typically offer unsecured loans, we did make 2 unsecured loans in 2017 and 2 unsecured loans in 2018 to assist churches that are owned or controlled by or are being purchased by the Church of God by Faith under extenuating circumstances. Although unsecured, each of our outstanding unsecured loans is made pursuant to a promissory note that allows us to seek recourse against any personal assets of the borrower. As of December 31, 2019, the unsecured loans from 2017 had an aggregate balance outstanding of \$0 and the unsecured loans from 2018 had an aggregate balance outstanding of \$18,833, are included in the "Loans Outstanding" table above, and constitute 1% of the total dollar amount of our outstanding loans as of December 31, 2019.

Delinquent Loans

As of December 31, 2019, we had no loans that were delinquent 90 days or more. Due to the ecclesiastical nature of our relationship with our borrowers and our close relationship with the Church of God by Faith, we may on occasion be willing to make accommodations for borrowers who are in default. Those accommodations could include the restructuring of their loan, however, no assurance can be given that we will be able or willing to accommodate borrowers who are delinquent in the future.

Loan Commitments

As of December 31, 2019, we had no outstanding loan commitments that may result in additional amounts being advanced to borrowers.

Loans to the Church of God by Faith

In some cases, the land, buildings and facilities in which a loan applicant operates may be owned by the Church of God by Faith. In those and similar cases, we may make loans to and may receive a mortgage from the Church of God by Faith. Although the loan applicant is typically responsible for making payments, our recourse, if any, will be with the Church of God by Faith, with which we have a close relationship.

Loan Terms, Policies and Documentation

The terms of each loan are determined on a case by case basis by our Board of Directors. We anticipate that most loans will provide for a term of up to 10 years, an amortization period of up to 20 years, monthly payments of principal and interest, a fixed interest rate set by our Board of Directors, and an unrestricted prepayment privilege. Loans we make in the future may or may not be on similar terms, and we have the flexibility to vary our terms as necessary on a case by case basis. Our standard loan rates are set from time to time by the Board of Directors.

Our loans are typically secured by a first lien on real estate, though we may on occasion be willing to make unsecured loans to assist churches that are owned or controlled by or are being purchased by the Church of God by Faith. Loans are typically made directly to a borrower, but may also be made indirectly to a borrower through a participation agreement with another lender. We may also sell all or a portion of a loan to a third party.

Our loans are typically offered at interest rates comparable to or below the rates generally available in the open market for similar loans. The amounts loaned, interest rates charged, payment schedules, and other loan terms are determined by our Board of Directors on a case by case basis. Our loan documentation typically consists of a promissory note and a mortgage, deed of trust, or similar security instrument for loans secured by real estate, or a security agreement, pledge agreement(s) and guaranty(ies). Casualty insurance naming us as mortgagee/loss payee is typically required. We may, but are not required to and do not normally, obtain independent appraisals as to the value of real property securing the loans we make.

Loan-loss Reserves

One of our policies is to review the strength of our outstanding loans on a regular basis and, if appropriate, to create and subsequently modify our loan-loss reserves. The purpose of such a reserve is to provide for possible loan losses resulting from the inability of our borrowers to make loan payments or the impairment of the collateral securing the loans. As of December 31, 2019, we had no loan losses, no loans that were 90 days or more delinquent, and a loan loss reserve of \$87,184. If the financial condition of our borrowers or the value of the collateral securing our loans were to deteriorate, resulting in an impairment of our borrowers' ability to make payments, additional loan loss reserves may be created.

INVESTING ACTIVITIES

Our Board of Directors is responsible for establishing and amending our investment policies. Our current investment policy calls for shorter-term investments, utilizing an investment portfolio mix including, but not limited to: money market accounts, FDIC Insured bank certificates of deposit, investment grade corporate bonds, and bond funds, along with a limited amount of investments in stocks. The Board has established an investment review committee, comprised of three members of the Board along with our President, to provide additional review and management of our investments. See "Management." The Board may also use a third-party investment advisor to assist in its management of investment holdings.

Our investment policies also allow us to invest in unsecured certificates offered by other church extension funds similar to ours, provided that any such church extension fund meets certain financial criteria as established by our Board of Directors pursuant to our investment policies. As of the date of this Offering Circular, we have not invested in any certificates offered by other church extension funds.

We had no income from investments for the fiscal years ending December 31, 2019, 2018, and 2017 and no unrealized gains or losses on investments for those fiscal years. As of December 31, 2019, our liquid assets were held as follows:

<u>Liquid Assets</u>	<u>Amount</u>	<u>Percentage of Total</u>
Cash and cash equivalents	\$ 1,280,934	89.5%
Certificate of Deposit*	150,000	10.5%
Total	<u>\$ 1,430,934</u>	<u>100%</u>

*This certificate of deposit was pledged as collateral for our line of credit. See "Risk Factors – Senior Secured Indebtedness."

SELECTED FINANCIAL DATA

The tables below set forth certain financial data as of and for the fiscal year ended December 31, 2019, which were derived from our audited financial statements for that year. You should also review our Financial Statements in connection with this information, including the notes to those Financial Statements which contain certain significant accounting policies that affect the more significant judgments and estimates used in the preparation of our Financial Statements. Given the volatility of current economic conditions, the values of assets and liabilities recorded in the Financial Statements could change, resulting in future adjustments in asset values, loan loss reserve or net assets.

Statements of Financial Position:

Assets:	12/31/2019	12/31/2018	12/31/2017
Cash and cash equivalents	\$ 1,280,934	\$ 1,010,903	\$ 197,431
Cash held in escrow	-	130,000	-
Investments	150,000	-	-
Interest receivable	11,541	7,895	955
Contributions receivable, net	150,000	100,000	197,087
Loans receivable, net	3,399,344	1,736,265	208,995
Capitalized website development costs, net	906	600	1,000
Total assets	\$ 4,992,725	\$ 2,985,663	\$ 605,468

Liabilities and net assets:

Liabilities:

Accounts payable and accrued interest	\$ 1,433	\$ 3,676	\$ 213
Investment certificates	4,596,540	2,790,794	327,670
Total liabilities	\$ 4,597,973	\$ 2,794,470	\$ 327,883
Net assets without donor restrictions	\$ 244,752	\$ 91,193	\$ 80,498
Net assets with donor restrictions	150,000	100,000	197,087
Total net assets	\$ 394,752	\$ 191,193	\$ 277,585
Total liabilities and net assets	\$ 4,992,725	\$ 2,985,663	\$ 605,468

Statements of activities:	Year ended 12/31/2019	Year ended 12/31/2018	Year ended 12/31/2017
Support and revenues without donor restrictions	\$ 304,307	\$ 121,951	\$ 146,620
Expenses	250,748	208,343	66,122
Releases from net assets with donor restrictions	100,000	97,087	-
Change in net assets without donor restrictions	\$ 153,559	\$ 10,695	\$ 80,498
Support and revenues with donor restrictions	\$ 150,000	\$ -	\$ 197,087
Releases from net assets with donor restrictions	(100,000)	(97,087)	-
Change in net assets with donor restrictions	\$ 50,000	\$ (97,087)	\$ 197,087
Change in net assets	\$ 203,559	\$ (86,392)	\$ 277,585
Net Assets, Beginning of Year	\$ 191,193	\$ 277,585	\$ -
Net Assets, End of Year	\$ 394,752	\$ 191,193	\$ 277,585

Certificate Activity:

Total Certificates issued	\$ 1,906,459	\$ 2,598,666	\$ 325,415
Interest reinvested in Certificates	\$ 84,629	\$ 28,692	\$ 2,255
Certificates redeemed	\$ 185,342	\$ 164,234	\$ -

	Year ending December 31:	Unsecured Loans:		Delinquent Loans 90 days or more:	
		Amount	% of Total	Amount	% of Total
	2017	\$ 46,799	22%	\$ 0	0%
	2018	\$ 23,232	1%	\$ 0	0%
	2019	\$ 18,833	1%	\$ 0	0%

PLAN OF DISTRIBUTION

The primary means of soliciting potential investors is through the use and distribution of this Offering Circular, which is typically delivered in response to invitations or inquiries from individuals, churches or other institutions affiliated with us or the Church of God by Faith, in response to inquiries from prospective investors through our website, or in response to advertisements. We may also publish promotional material for print in national and regional publications and for distribution or posting at churches, assemblies, conventions, seminars, and construction sites, or through direct mailings to current, past, and prospective investors, both by regular and electronic mail.

Prospective investors may obtain an Offering Circular and application by downloading them from our website at www.cogbfs.org, emailing us at fs@cogbf.org, or requesting them from our office at 2409 Old Middleburg Road N., Jacksonville, FL 32210, telephone number: (904) 574-9853, facsimile number: (904) 574-9871. Questions about our Certificates or the offering should be directed to Angela Robinson at (904) 574-9853.

To purchase one of our Certificates, an investor must review the Offering Circular, complete the application to purchase, and send the completed application to purchase with a check payable to Church of God by Faith Financial Solutions, 2409 Old Middleburg Rd N., Jacksonville, FL 32210. If we accept the potential investor's offer to purchase, the investor is notified by mail and an investment confirmation is returned to the investor reflecting the amount of the investment. Investors wishing to invest through an IRA or other retirement account should review the section of this Offering Circular entitled "Description of Certificates – Retirement Accounts," and coordinate the completion of the application to purchase with their retirement account custodian.

Additional investments in Certificates may be made at any time that additional Certificates are being offered by sending a check or money order to the address given above or via ACH. Investors will not receive physical certificates. Investments in the Certificates will be handled by us on a book entry basis. See "Description of Certificates – Book Entry."

No underwriting or selling agreements exist, and no direct or indirect commissions or other compensation will be paid to any person in connection with the offer and sale of our Certificates. We offer and sell our Certificates solely through our officers, directors and employees who are authorized to engage in such activities in the applicable jurisdiction; there are no outside selling agents involved in this offering.

TAX ASPECTS

By purchasing one of our Certificates, you may be subject to certain income tax provisions of the Internal Revenue Code. Some of the significant federal income tax consequences of purchasing our Certificates include the following:

- Although we are a 501(c)(3) organization, you will not be entitled to a charitable deduction for the Certificate you purchase. Any investor should be able to bear the full risk of an investment in a Certificate, including any associated tax consequences.
- Any interest paid or accrued on your Certificate will be taxed as ordinary income in the year it is paid or accrued, depending on your method of accounting (unless you hold the Certificate in an IRA or other tax deferred account).
- We will provide you a Federal Income Tax Form 1099-INT or the comparable form by January 31st of each year indicating the interest earned on your Certificate during the previous calendar year.
- You will not pay income tax on the return of any principal amount of your Certificate or on the payment of interest that was previously taxed.
- If you choose to have interest on your Certificate automatically reinvested, you will receive no periodic distributions on the Certificates for payment of federal income taxes.
- You will be required to certify, by signing the Investment Application, the accuracy of your social security number, that you are not subject to backup withholding, and that you are a U.S. resident.

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 are under common control with us, you may be deemed to receive additional taxable interest under Section 7872 of the Internal Revenue Code if the interest paid to you is below the applicable federal rate. 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 Internal Revenue Code, the regulations promulgated under the Internal Revenue 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. Accordingly, this summary may not accurately reflect the tax consequences of an investment in our Certificates after the date of this Offering Circular.

In addition, 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; if you are not a citizen or resident of the United States; or if you are purchasing a Certificate through an IRA or other tax-deferred account; nor does it address any aspect of state or local tax law that may apply to you.

This discussion of federal income tax consequences was written to support the promotion or marketing of our Certificates and is not intended or written to be used, and cannot be used, by any taxpayer as any kind of tax advice or for the purpose of avoiding tax penalties. You should consult with your tax advisor to determine the particular federal, state, local or foreign income or other tax consequences particular to your investment in our Certificates.

LITIGATION AND OTHER MATERIAL TRANSACTIONS

As of the date of this Offering Circular, we were not a party to any present, pending, or threatened material legal proceedings.

MANAGEMENT

Directors

We are managed by our Board of Directors, who are chosen by the Board of Directors of the Church of God by Faith from among its members. Our directors serve three-year terms. The following persons serve as directors as of the date of this Offering Circular:

James E. McKnight, Jr., Chairman, President: Term expires June 2020; Chief Administrative Officer, Presiding Bishop, Church of God by Faith; Member, Investment Review Committee; Founder and Pastor, Starke Church of God by Faith; founder and president of Bradford Community Faith Center; ordained elder in the Church of God by Faith for 35-years; president of Board of Directors, Church of God by Faith Theological Institute, CTI.

Diantha Roberts, Vice-Chairman: Term expires June 2020; Member, Investment Review Committee; administrative assistant and first lady, Miami Gardens Church of God by Faith; Dade County Guardianship Program, assistant director, case management; graduate, Bethune Cookman College, Criminal Justice.

Kinn'zon Hutchinson, Director: Term expires 2023; Customer Operations Director, Gainesville Regional Utilities; Board Member, Speedville Community Action Association; Ordained Minister, Elder, and Pastor, Hawthorne Outreach Ministry of Church of God by Faith; M.B.A. and B.A., Saint Leo University.

Charles McWhite, Director: Term expires June 2020; Principal, Tiger Academy, Jacksonville, FL; Member, Investment Review Committee; Ordained Deacon, Deacon Board Treasurer, Starke Church of God by Faith;

National Youth Director, Church of God by Faith; Board Member, Bradford County Faith Community Center; Board Member, Duval County Elections Advisory Panel; B.A., University of Florida; M.Ed. Educational Leadership, University of North Florida.

Anthony Miller, Director: Term expires June 2020; employed at Paychex, Inc., since 1994, business solutions rep.; previous sales consultant, John Hancock Financial Service; member, Church of God by Faith National Finance Board; ordained deacon, board member and assistant office manager, Adams Street Church of God by Faith, Rochester, NY; B.S., Management & Marketing, St. John Fisher College; Urban League Black Scholar, Rochester, NY.

April Sears, Director: Term expires 2023; relationship manager, Bank of America; previous COGBFFS Development Specialist; B.A., University of South Florida Sarasota-Manatee.

Shirley Spry, Director: Term expires June 2020; retired U.S. Army civilian, 40 Years; retired, First Merchant National Bank, Asbury Park NJ; owner/operator private 350-acre farm; financial chairman, Davis Station Church of God by Faith, administrative assistant, South Carolina District Superintendent; B.A, Business Administration, Athens State, Athens Alabama; A.A., Brooksdale Community College, Lincroft, New Jersey.

Officers and Team Members

The following persons serve as officers as of the date of this Offering Circular:

James E. McKnight, Jr., President
James Williams, Secretary
Horace Turner, Treasurer
Reginald Daymon, Vice-President
James Ware, Vice-President

James Williams, Secretary, has an electronic degree from Tampa Technical Institute, has a Business Management degree from Hillsborough Community College, and is a graduate of Spirit University Theological Seminary. He is currently a Pastor for the Church of God by Faith.

Horace Turner, Sr. serves as Treasurer. He has previously served as Chaplain and currently serves as Pastor of Sears Street Church of God by Faith.

Reginald Daymon, Sr., Vice-President, has earned a Master of Divinity and Doctor of Divinity from Faith Bible College and is a graduate of Monroe Community College. He also serves as a Director of New Hope Community Center.

James Ware serves as Vice-President. He also currently serves as Ruling Elder of the Jacksonville, Florida Church of God by Faith, and previously served as Presiding Elder of the Ocala District Church of God by Faith.

Angela D. Robinson, Fund Administrator, is employed by the Church of God by Faith. She is the owner of ADR by Design, LLC, a career solutions and business strategies organization. Her career history in finance and banking spans over 25 years. Angela is a graduate of Spelman College in Atlanta, Georgia with a Bachelor's degree in Economics. Angela is a member of Sanctuary of Praise Ministries in Orlando, FL. She is the District Representative for the By Faith Partners program, Daytona Beach District. She resides in Orlando, FL.

Pamela Albertie is the Office Administrator for the Church of God by Faith National Headquarters. Her career spans over 31 years in various business segments and reflects a diverse skill set. She has degrees in Business Management (B.A.) and Graphic Design (A.S.). Pamela is a member of Solid Rock COGBF and is also actively involved with other non-profit organizations and community agencies assisting them in fulfilling their goals, and missions.

Steve Woulard, Loan Specialist, has served in leadership roles in both his church and various local community programs. He is a member of Fairbanks COGBF and holds innumerable responsibilities, including

Church Administrator, Finance Board Chairman and Building Project Coordinator. Steve is also a Gainesville District Finance Board Member and a Notary of the State of Florida.

Cleveland Roberts III, Team Advisor, founded Faith, Truth, and Deliverance Ministries and has been ordained as a Minister by the Church of God by Faith, consecrated as an Elder, and appointed to the Governing Board of Elders. He is currently the Pastor of Faith Truth and Deliverance Church of God by Faith.

Remuneration

No member of the Board of Directors receives any compensation as a Director. Directors are reimbursed for actual expenses incurred in attending meetings of Directors. The Chairman, Vice Chairman, and Treasurer also receive no compensation for their services but are reimbursed for actual expenses incurred in carrying out their volunteer responsibilities.

Some of our directors and officers may serve on boards or as clergy of their local churches. We may periodically have loans or Certificates outstanding with organizations with whom our directors or officers are affiliated, or with directors or officers themselves, although we do not consider these affiliations to be strong enough to constitute related party transactions in either our Certificate or loan programs. We believe that these loans are extended and Certificates are offered on the same terms and conditions as other loans and Certificates. See Note 8 to the Financial Statements for additional information.

We have contracted with the Church of God by Faith for administrative services, which include management of the fund, office space and computer services. We receive these administrative services as an in-kind contribution from the Church of God by Faith, and they totaled \$54,308, \$51,430 and \$34,017 for the fiscal years ended December 31, 2019, 2018 and 2017, respectively. Church of God by Faith also has paid certain expenses on our behalf, totaling \$7,463, \$6,673 and \$6,021 for the fiscal years ended December 31, 2019, 2018 and 2017, respectively.

FINANCIAL STATEMENTS

The audited financial statements as of and for the years ended December 31, 2019, 2018 and 2017, that are included in this Offering Circular, have been audited by Capin Crouse LLP, independent auditors, as stated in their report.

INVESTOR REPORTS

It is our policy to send annual audited financial statements to our investors within 120 days of our fiscal year end. Investors may also obtain the most recent annual audited financial statements available by submitting a written request to the address listed on the first page of the Offering Circular. The annual audited financial statements may be included as part of the new Offering Circular sent annually to investors.

SUMMARY OF TIME CERTIFICATE TERMS

The terms of Time Certificates issued pursuant to this Offering Circular shall be as follows, and these terms together with our books and records, shall constitute the evidence of indebtedness owed:

- The principal dollar amount, interest rate, certificate owner, certificate number, date issued, term and maturity date of the Time Certificates will be as stated in the confirmation or receipt sent by us to the investor at the time of the initial investment or any renewal thereof. We are authorized by the investor to note all such facts on our books and records, as well as the amount of each accrual of interest, and the amount of any principal payment or addition to the Time Certificate, which books and records shall constitute *prima facie* evidence of the information so noted.
- The minimum initial and continuing investment amount required for Time Certificates is \$2,000 if purchased by a retirement account and \$500 if purchased by any other investor, although we may waive or vary the minimum investment requirement at our discretion.
- Upon redemption, either at maturity or otherwise, the principal amount of the Time Certificate and any accrued but unpaid interest, less any penalties assessed for early redemptions, if applicable, will be paid by us to the investor.
- The Time Certificate will earn interest quarterly on each March 31, June 30, September 30, and December 31, from the date of issuance until maturity or redemption. Interest may be paid or accrued at the election of the investor.
- We may at our option redeem the Time Certificate at any time 30 days' notice, without premium, but with accrued interest.
- The Time Certificate may not be pledged or assigned and is not negotiable or otherwise transferable except when affirmatively permitted by us in our sole discretion.
- The Time Certificate is issued in accordance with, and subject to the terms and conditions set forth in, the purchase application and our current offering circular, as it may be updated or supplemented from time to time, including, without limitation, provisions related to the minimum investment, automatic renewal, prepayment, early redemption, and limited transferability of the Time Certificate.
- Without limiting the generality of the previous sentence, and subject to any limitations imposed by the investor's state of residency, the Time Certificate will automatically renew upon its initial maturity date and any subsequent maturity date(s) resulting from renewal(s) for the same term if that term is then being offered, or if that term is not then being offered, for the closest, shorter term then being offered, but generally in each case at the then current interest rate and other terms offered for our time Certificates of that term at that time, unless the investor notifies us 30 days prior to the then current maturity date, in writing, of the investor's redemption of the Time Certificate upon maturity. In the event of an automatic renewal, the entire outstanding principal and accrued but unpaid interest will be invested in the new Time Certificate.
- Investors may redeem their Time Certificate prior to maturity with 30 days' notice, subject to the availability of funds and the payment of an early redemption fee. The amount of the early redemption fee may vary from time to time at our discretion. At the date of this Offering Circular, the early redemption fee was equal to 120 days' of interest on the amount redeemed. We may increase, reduce or waive the early redemption fee from time to time in our sole discretion. Redemption of a Time Certificate must be for the entire amount of that Time Certificate, although we may waive or vary this policy at our discretion.
- The Time Certificate is our unsecured general debt obligation, and each investor will have an equal claim against our assets with other debt security holders and unsecured creditors. If we incur senior secured indebtedness, the creditor issuing that debt will have a higher priority claim to our assets than will the investor.
- Our failure to pay principal or interest on the Time Certificate when due will be an event of default, but only as to that Time Certificate.
- The Time Certificate shall be deemed to have been made in the State of Florida, and any action arising out of it shall be governed by the laws of the State of Florida that are applied to contracts made or to be performed in that state. Any action arising out of the Time Certificate may be brought in any County or Circuit Court for the State of Florida, or in the United States District Court for the Middle District of Florida. By acceptance of the Time Certificate, the investor agrees that all such courts shall have personal jurisdiction of the investor with respect to any such action.

- The Time Certificate is not FDIC or SIPC insured.
- The Time Certificate is not a bank instrument.
- The Time Certificate is not guaranteed by the Church of God by Faith nor any church, assembly, corporation, institution or agency affiliated with the Church of God by Faith, or any other guarantor.

SUMMARY OF DEMAND CERTIFICATE TERMS

The terms of Demand Certificates issued pursuant to this Offering Circular shall be as follows, and these terms together with our books and records, shall constitute the evidence of indebtedness owed:

- Demand Certificates are only available to Eligible Ministries and other church extension funds.
- The principal dollar amount, interest rate, certificate owner, certificate number and date issued of the Demand Certificates will be as stated in the confirmation or receipt sent by us to the investor at the time of the initial investment. Similarly, the date and amount of any addition to the Demand Certificate, and of any redemption of all or any portion of the Demand Certificate, will be as stated in the confirmation thereof sent by us to the investor at the time of the event. We are authorized by the investor to note all such facts on our books and records, as well as the amount of each accrual or payment of interest, which books and records shall constitute *prima facie* evidence of the information so noted.
- The minimum initial and continuing investment amount required for Demand Certificates is \$500, although we may waive or vary the minimum investment requirement at our discretion.
- The interest rate on Demand Certificates is variable and may be changed from time to time by us upon notice to the investor.
- Upon a partial or complete redemption, the principal amount requested by the investor, up to the full principal amount of the Demand Certificate and any accrued but unpaid interest, will be paid by us to the investor within 30 days of our receipt of a proper redemption request, subject to the availability of funds.
- The Demand Certificate will earn interest quarterly on each March 31, June 30, September 30, and December 31, from the date of issuance until redemption.
- We may at our option redeem the Demand Certificate at any time upon 30 days' notice, without premium, but with accrued interest.
- The Demand Certificate may not be pledged or assigned and is not negotiable or otherwise transferable except when affirmatively permitted by us in our sole discretion.
- The Demand Certificate is issued in accordance with, and subject to the terms and conditions set forth in, the purchase application and our current offering circular, as it may be updated or supplemented from time to time, including, without limitation, provisions related to the minimum investment, prepayment, and limited transferability of the Demand Certificate.
- The Demand Certificate is our unsecured general debt obligation, and each investor will have an equal claim against our assets with other debt security holders and unsecured creditors. If we incur senior secured indebtedness, the creditor issuing that debt will have a higher priority claim to our assets than will the investor.
- Our failure to pay principal or interest on the Demand Certificate when due will be an event of default, but only as to that Demand Certificate.
- The Demand Certificate shall be deemed to have been made in the State of Florida, and any action arising out of it shall be governed by the laws of the State of Florida that are applied to contracts made or to be performed in that state. Any action arising out of the Demand Certificate may be brought in any County or Circuit Court for the State of Florida, or in the United States District Court for the Middle District of Florida. By acceptance of the Demand Certificate, the investor agrees that all such courts shall have personal jurisdiction of the investor with respect to any such action.
- The Demand Certificate is not FDIC or SIPC insured.
- The Demand Certificate is not a bank instrument.
- The Demand Certificate is not guaranteed by the Church of God by Faith nor any church, assembly, corporation, institution or agency affiliated with the Church of God by Faith, or any other guarantor.