



THE INTERNATIONAL PENTECOSTAL HOLINESS CHURCH EXTENSION LOAN FUND, INC.

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

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

We are an Oklahoma not-for-profit corporation established for the purpose of loaning money to Conferences, member churches and other institutions of The International Pentecostal Holiness Church (the “**Denomination**”) for construction of new churches or the purchase or improvement of existing structures. See “**HISTORY AND OPERATIONS**,” page 10. We are offering up to an aggregate \$65,000,000 of our unsecured Savings Certificates and Fixed-Rate Certificates (each a “**Debt Security**” and collectively the “**Debt Securities**”), as more fully described in this Offering Circular, to raise money for our lending activities. Our sales of Savings Certificates during the twelve-month period after the date of this Offering Circular is limited to an aggregate of \$8,000,000. We refer to ourselves throughout this Offering Circular as the “**Fund**,” and refer to holders and owners of record of the Debt Securities as “**Investors**.”

Savings Certificates have variable interest rates; Fixed Rate Certificates have fixed interest rates. The interest rates are set forth on the Interest Rate Sheet currently in effect, which accompanies this Offering Circular and may also be obtained by calling us at 1-800-407-8959.

We will not use underwriters for this offering, nor will we pay any commissions in connection with the sale of the Debt Securities. The Debt Securities will be offered solely by our executive officers, who will receive no direct or indirect compensation for their participation in this offering. Accordingly, we will receive 100% of the proceeds from the sale of the Debt Securities and will bear all expenses incurred in this offering, which we expect to be approximately \$200,000, or 0.30% of the total offering amount.

THESE SECURITIES ARE RISKY AND SPECULATIVE. SEE “RISK FACTORS” ON PAGES 4-10 OF THIS OFFERING CIRCULAR. Please read the following pages for information applicable to your state of residence. You may not purchase our Debt Securities unless you were, prior to receipt of this Offering Circular, a member of, contributor to, or participant in, the Denomination, the Fund, or any conference or congregation of the Denomination, including any program, activity or organization which constitutes a part of the Denomination, the Fund, or other religious organizations that have a programmatic relationship with the Denomination or the Fund.

All information presented in this Offering Circular, including, without limitation, the eligibility criteria for Investors and description of Debt Securities, is subject to any state-specific information described in the “**STATE NOTICES**” section on page iii. All Investors should carefully review the part of that section that corresponds to the Investor’s state of residence.

The date of this Offering Circular is August 27, 2019, and may be used until the expiration of the periods of time authorized in the various states in which we offer the Debt Securities, which typically is twelve months.

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

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

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

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

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

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

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

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

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

THE DEBT SECURITIES ARE ISSUED ON A PARITY BASIS AND ARE UNSECURED DEBT OBLIGATIONS OF THE FUND. This means, among other things, that: (i) the payment of principal and interest on the Debt Securities depends solely upon our financial condition and strength, (ii) we have not earmarked as collateral or reserved any assets for the payment of principal and interest on the Debt Securities, (iii) there are no guaranties that the principal and interest on the Debt Securities will be paid, (iv) if we were to suffer material financial

difficulties, you could lose the entire amount of your investment, and (v) to the extent we have secured debt obligations, such obligations would rank ahead of the Debt Securities.

STATE NOTICES

NOTICE TO ALABAMA RESIDENTS. THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 37(h) [see Section 8-6-10, Code of Alabama] OF THE ALABAMA SECURITIES ACT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE ALABAMA SECURITIES COMMISSION.

NOTICE TO CALIFORNIA RESIDENTS. Fixed Rate Certificates held by California residents will be redeemed at maturity unless the Investor notifies the Fund, in writing, prior to maturity that he or she elects to reinvest the proceeds. If you are a California resident, we are required to obtain your written approval each time we reinvest the principal or interest on your outstanding debt securities; otherwise, your debt securities will be redeemed at maturity.

Debt Securities purchased in California are subject to restrictions on transfer imposed pursuant to California law. Each certificate representing a Debt Security issued to an Investor in California will bear the following legend: IT IS UNLAWFUL TO CONSUMMATE A SALE OR TRANSFER OF THIS SECURITY, OR ANY INTEREST THEREIN, OR TO RECEIVE ANY CONSIDERATION THEREFOR, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMMISSIONER OF BUSINESS OVERSIGHT OF THE STATE OF CALIFORNIA, EXCEPT AS PERMITTED IN THE COMMISSIONER'S RULES. A copy of Section 260.1411.11 (Restriction on Transfer) of the California Code of Regulations will be delivered to the original Investor and to each transferee of such Debt Security at the time the certificate evidencing the Debt Security (or, if uncertificated, the confirmation of the original investment or transfer of the Debt Security) is delivered to the Investor or transferee.

NOTICE TO FLORIDA RESIDENTS. These securities are offered pursuant to a claim of exemption from registration under Section 517.061(11) of the Florida Securities Act, as amended, and have not been registered with the Florida Office of Financial Regulation.

NOTICE TO KENTUCKY RESIDENTS. These securities are issued pursuant to a claim of exemption from registration under Section KRS 292.400(9) of the Kentucky Securities Act.

NOTICE TO LOUISIANA RESIDENTS. Savings Certificates are not available for sale in the State of Louisiana. Fixed Rate Certificates held by Louisiana residents will be redeemed at maturity, unless the Investor notifies the Fund, in writing, prior to maturity that he or she elects to reinvest the proceeds. We have no obligation to pay interest and no investor has the right to receive interest following the maturity of a Fixed Rate Certificate, unless the Fixed Rate Certificate is reinvested in accordance with the procedure stated above. THESE SECURITIES HAVE BEEN REGISTERED WITH THE SECURITIES COMMISSIONER OF THE STATE OF LOUISIANA. THE SECURITIES COMMISSIONER, BY ACCEPTING REGISTRATION, DOES NOT IN ANY WAY ENDORSE OR RECOMMEND THE PURCHASE OF ANY OF THESE SECURITIES.

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

NOTICE TO OHIO RESIDENTS. Fixed Rate Certificates held by Ohio residents will not renew automatically upon maturity. Instead, Ohio Investors will receive a maturity notice as described beginning on page 23, and Ohio Investors will have the opportunity to notify us if they intend to renew their investments. Ohio Investors who do not request renewal will have their funds promptly returned, subject to the availability of funds. We have no obligation to pay interest and no one has the right to receive interest following the maturity of a Fixed Rate Certificate, unless the Fixed Rate Certificate is reinvested in accordance with the procedure stated above.

NOTICE TO OREGON RESIDENTS. Fixed Rate Certificates held by Oregon residents will not renew automatically upon maturity. Instead, Oregon Investors will receive a maturity notice as described beginning on page 23, and Oregon Investors will have the opportunity to notify us if they intend to renew their investments. Oregon Investors who do not request renewal will have their funds promptly returned, subject to the availability of funds. We have no obligation to pay interest and no one has the right to receive interest following the maturity of a Fixed Rate Certificate, unless the Fixed Rate Certificate is reinvested in accordance with the procedure stated above.

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

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

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

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

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

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

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

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OFFERING SUMMARY

This summary highlights information contained in other parts of this Offering Circular. Before investing, you should review the entire Offering Circular, including the attached Audited Financial Statements.

The Issuer

The International Pentecostal Holiness Church Extension Loan Fund, Inc. was incorporated in Oklahoma as a not-for-profit corporation on January 21, 1958. Our primary purpose is to assist churches and institutions related to The International Pentecostal Holiness Church, primarily by providing financing for the construction of new churches or the purchase or improvement of existing structures. We refer to ourselves in this Offering Circular as the “Fund” and to The International Pentecostal Holiness Church as the “Denomination.” The lending activities conducted through the Fund are financed through the sale of the Debt Securities. See “HISTORY AND OPERATIONS—The Fund,” page 10.

The Debt Securities

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

Investors who purchased Savings Certificates prior to the date of this Offering Circular may request a redemption of their Savings Certificates at any time prior to the stated maturity by giving the Fund a written demand to redeem, within thirty (30) days of which the Fund will pay the noteholder all principal and accrued and unpaid interest.

Fixed Rate Certificates. Fixed Rate Certificates have maturities from 6 months to 60 months and a minimum investment of \$1,000. Higher interest rates may be available for investments of greater amounts. Fixed Rate Certificates made through a Self-Directed IRA have maturities from 24 months to 60 months and a minimum investment of \$1,000. See “PURCHASE OF FIXED RATE CERTIFICATES THROUGH SELF-DIRECTED IRA,” page 25. The interest rates on Fixed Rate Certificates vary depending upon the maturities and amounts invested. Interest on all Fixed Rate Certificates accrues daily and is compounded monthly, at which time it is automatically reinvested or paid to you, depending on the option you select when you invest. You will have taxable income on interest as it accrues, whether or not it is distributed to you. See “TAX ASPECTS,” page 25. The interest rates are set forth on the Interest Rate Sheet currently in effect, which accompanies this Offering Circular and may also be obtained by calling us at 1-800-407-8959.

At least thirty (30) days prior to the maturity of any Fixed Rate Certificate, we will provide you with written notice of the impending maturity, pursuant to which you will be given the option to either (i) reinvest the proceeds in a Fixed Rate Certificate or a Savings Certificate at the then-prevailing interest rate (***which may be lower than the interest rate on the maturing Fixed Rate Certificate***), or (ii) receive payment of the principal and accrued interest at maturity. If you affirmatively elect to reinvest the funds underlying the maturing Fixed Rate Certificate, or if we receive no response on or before the maturity date, the Fixed Rate Certificate will be reinvested. However, Investors residing in certain states must explicitly tell us in writing if you wish to reinvest the principal and/or interest on your maturing Fixed Rate Certificate, otherwise your Fixed Rate Certificate will be redeemed at maturity. We will pay

promptly to all Investors requesting payment at maturity the outstanding principal and accrued interest as of the maturity date. Some states require that we obtain your express approval each time we reinvest your earned interest. See “STATE NOTICES,” beginning on page iii, for information particular to your state of residence.

Risk Factors

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

Use of Proceeds

We plan to use the proceeds received from this offering primarily to fund new loans for (i) the purchase, construction or expansion of church facilities, and (ii) the purchase of buildings and land for church use undertaken by member churches and other institutions of the Denomination. The proceeds may also be used for operating expenses. Generally any funds not employed to make new loans will be invested, provided that if revenues from our loans receivable are less than anticipated and if redemption demands on maturing Debt Certificates exceed our historical experience, it may be necessary to use a portion of the proceeds, along with other available funds, to meet such redemption demands and/or the payment of interest to Investors. See “USE OF PROCEEDS,” page 11.

Management and Governance

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

Lending Activities

Our primary function is to support the charitable mission of the Denomination by extending loans to member churches and other institutions of the Denomination, which generally are secured by first mortgages or other security. These loans primarily are for the purchase of church properties, construction, renovation or repair of churches, parsonages and related facilities, or the refinancing of such obligations, at interest rates that may be below prevailing commercial loan rates. See “LENDING ACTIVITIES,” page 15.

Financing

We finance our lending activities primarily from the sale of our Debt Securities, interest and dividends earned on our cash, cash equivalents and readily marketable securities, and principal and interest payments received on our loans to member churches and other institutions of the Denomination. See “FINANCING AND OPERATIONAL ACTIVITIES,” page 12.

From time to time, we may also utilize other sources of immediately available funds, such as a line of credit or other source of credit with a bank or other financial institution. See “FINANCING AND OPERATIONAL ACTIVITIES—Information Regarding Debt Securities—*Secured or Senior Debt*,” page 13.

How to Invest

The Debt Securities are offered for 100% of their face value, payable in cash at the time of purchase. We do not offer financing terms. To purchase a Debt Security, you should complete and sign the Investment Application that accompanies this Offering Circular and return it to us, together with your check made payable to “The International Pentecostal Holiness Church Extension Loan Fund, Inc.” for the full amount being invested. For questions regarding how to invest in our Debt Securities, you may call us at (405) 792-7161 or (800) 407-8959.

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

Summary Financial Information

	<u>As of and for the year ended December 31, 2018</u>
Cash, cash equivalents and readily marketable securities ⁽¹⁾	\$ 13,884,472
Loans receivable ⁽²⁾	41,840,061
Unsecured loans receivable	19,732
Unsecured loans as a percentage of gross loans receivable	0.05%
Loan Delinquencies as a percentage of gross loans receivable ⁽³⁾	5.50%
Total assets	<u>\$ 56,224,077</u>
Total Debt Securities outstanding:	\$ 50,258,659
Debt Securities redeemed	8,138,497
Secured Senior Indebtedness ⁽⁴⁾	--
Net Assets	<u>5,811,311</u>
Change in Net Assets	<u>\$ 254,955</u>

(1) Consisting of cash, money market accounts, certificates of deposit, corporate debt securities, U.S. Government securities, managed investment funds, readily marketable equity securities and municipal debt securities.

(2) Does not account for subtraction of loan loss allowance of \$959,508 or deferred loan fees of \$169,121 at December 31, 2018.

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

(4) See "FINANCING AND OPERATIONAL ACTIVITIES—Information Regarding Debt Securities—Secured or Senior Debt," page 12.

See "SELECTED FINANCIAL INFORMATION," page 21, and "FINANCIAL STATEMENTS."

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RISK FACTORS

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

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

The Debt Securities are unsecured obligations of equal rank with our other unsecured obligations and are not obligations of, or guaranteed by, the Denomination or any of its members. In the event of the Fund's inability to meet its financial obligations with respect to the Debt Securities, you must depend solely upon our financial condition for principal repayments and interest payments on the Debt Securities. If we (i) were unable to make new loans, (ii) experienced significant delinquencies on outstanding loans, (iii) failed to obtain authorization to continue the sale of our Debt Securities in those states so requiring, (iv) experienced a major decline in the reinvestment of maturing Debt Securities, or (v) realized significant losses on investments, the amount of income received by us could be reduced below the amount needed to pay interest on the Debt Securities as accrued or to repay the Debt Securities as they mature. See "LENDING ACTIVITIES," page 15.

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

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

Because we fund our loans primarily through sales of Debt Securities that typically have shorter maturities than the loans we make, our operations are subject to interest-rate risk.

As an organization that charges interest on the loans we make and that must pay interest on the Debt Securities that provide the major source of funding for our loans, we have interest-rate risk, *i.e.*, the risk that spread income will suffer because of a change in interest rates. Much of this exposure arises as a result of funding long-term, fixed-rate loans with relatively shorter-term, interest-rate sensitive liabilities (the Debt Securities). In order for us to have the ability to reset the interest rates on some of our long term loans we provide a balloon loan structure based on various amortization periods for one-, three-, five- and seven-year term loans, and we also provide a variable interest rate loan structure with interest rate resets at three, five and seven years based on various periods of amortization. Most of our long term loans that are not set up on a balloon or variable rate structure provide that we may re-determine the rate of interest at any time during the term of the loan.

The interest rates set by U.S. financial institutions have a material impact on the interest rates that we pay on the Debt Securities and the interest rates we charge on our loans. Interest rates are generally subject to significant fluctuations depending upon various economic and market factors over which we have no control and which could affect our ability to repay the Debt Securities. Fluctuations in prevailing rates will adversely affect our profitability if we are unable to maintain a sufficient spread between the interest rates we pay on our Debt Securities and borrowed funds and the interest rates we receive on our outstanding loans and investments.

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

It has been our historical experience that a majority of our maturing obligations have been extended or reinvested. To the extent that demands for repayment upon maturity of the Debt Securities exceed our prior experience and to the extent that the availability of funds from other sources is not increased, it may have an adverse effect on our financial condition. If prevailing interest rates rise significantly, demands for repayment at maturity may exceed historical averages. See "FINANCING AND OPERATIONAL ACTIVITIES—Information Regarding Debt Securities," page 12. In the event that holders of matured Debt Securities do not renew their investments or reinvest

funds in amounts consistent with our historical experience, it may be necessary for us to sell a portion of our short-term investment portfolio or to obtain funds from other sources, including borrowings, to meet our current cash needs. See “RISK FACTORS,” beginning on page 4. There is no assurance that we will be able to obtain funds from other sources in the future.

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

The Savings Certificates and Fixed Rate Certificates are unsecured debt obligations of equal rank with our previously-issued Debt Securities. If we open a line of credit or incur other indebtedness collateralized by some or all of our assets, such indebtedness would have a priority claim against the assets of the Fund over and above the Debt Securities. See “FINANCING AND OPERATIONAL ACTIVITIES—Information Regarding Debt Securities—Secured or Senior Debt,” page 13. As a result, the secured lender would have the right to be paid from these pledged assets before you and the rest of our Investors. See “DESCRIPTION OF THE DEBT SECURITIES—The Debt Securities Generally,” page 22. It is our policy that debt or debt securities incurred or issued by the Fund and secured by assets of the Fund in such a manner as to have a priority claim against any of the assets of the Fund over and above the Debt Securities (“**Senior Secured Indebtedness**”) not exceed 10% of our tangible assets. As of the date of this Offering Circular, we had no Senior Secured Indebtedness.

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

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

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

If a substantial portion of the Fund’s repayment obligations under the Notes were to come due in a limited period of time, or if a substantial portion of Investors in Savings Certificates demand redemption of their Savings Certificates within a limited period of time, the Fund’s ability to repay Notes that come due during any given period could be adversely impacted. The Fund is not obligated to limit the amount of debt that may mature in any given year or period.

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

Almost all of our loans have been made to member churches and other Denomination institutions. On rare occasions we will make a loan to a nonmember church in order to sell a church property that we own and the loan is generally a short-term loan of three years. The ability of these churches and institutions to repay their loans generally will depend upon the contributions they receive from their members. To the extent that any of our borrowers experiences a reduction in contributions, its ability to repay a loan may be adversely affected. Contributions may decline for a variety of reasons, including but not limited to a decline in church membership, the general impact of a softening economy, the status of major employers, demographic shifts in the region in which the borrower is located, other economic difficulties encountered by church members, and/or a decline in the business prospects of donors. The inability of a borrower to make timely payments on its loan could adversely affect our ability to make interest and principal payments on the Debt Securities. See “FINANCING AND OPERATIONAL ACTIVITIES—Information Regarding Lending Activities—Loan Delinquencies,” page 14, and Note 3 to the FINANCIAL STATEMENTS.

The properties securing the loans we make may have limited marketability and, consequently, in the event of a loan default, the proceeds of any foreclosure sale may not be adequate to satisfy the outstanding loan obligation.

Although mortgage loans to be made from the Fund will generally be secured by a first mortgage or a deed of trust in favor of the Fund, there is no assurance that in the event of default the foreclosure sale value of the mortgaged properties will be adequate to fully repay any defaulted loan. The mortgaged properties, which are primarily churches

and related structures, may be single-use facilities and may have limited alternate uses and a ready market may not be available. Furthermore, real property values may decline due to general and local economic conditions, increases in operating expenses, changes in zoning laws, casualty or condemnation losses, regulatory limitations on rents, changes in neighborhoods and demographics, increases in market interest rates, or other factors. A declining real estate market could depress the value of our loan collateral or delay or limit our ability to dispose of the collateral and increase the possibility of a loss following foreclosure. These factors could impair our ability to meet our obligations to holders of the Debt Securities.

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

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

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

OUR RELATIONSHIP TO OUR BORROWERS CANNOT BE COMPARED TO THAT OF A NORMAL COMMERCIAL LENDER. We may make loans to borrowers who are unable to secure financing from commercial sources. In view of our relationship with our borrowers, we commonly make exceptions to our lending policies, at our discretion, when a particular borrower's circumstances warrant such deviation. In the past, we have been willing to accommodate partial, deferred or late payments, or to restructure or refinance outstanding loans in situations where a typical commercial lender may not. For loans secured by property that does not have a readily ascertainable market value, we accept a number of valuations, which may include formal appraisals of the borrower's underlying real property. Accordingly, it is possible that the value of a specific secured property is less than we believe and that the amount outstanding with respect to a specific loan could exceed the value of the property securing it. While we typically do conduct a site inspection for loans of significant size, there can be no assurance that we will in all cases. Finally, we do not typically conduct a comprehensive environmental inspection before approving a loan and the existence of environmental pollution or other contamination could, in some cases, result in lender environmental liability for us or impair our security for the loan. See "LENDING ACTIVITIES—Loan Policies," page 16.

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

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

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

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

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

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

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

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

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

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

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

You will not receive a charitable deduction for the purchase of these Debt Securities. In addition, interest earned on the Debt Securities will be currently taxable as your ordinary income regardless of whether the interest is paid out to you or retained by us and added to the Debt Security as principal, unless you purchased the Debt Securities through a tax-deferred account such as an Individual Retirement Account. You may have additional taxable income imputed to you if you invest or loan more than \$250,000 with or to us and if the interest paid to you is below the applicable federal rate. See “TAX ASPECTS,” page 25.

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

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

Our loans are geographically concentrated.

Although we have no geographic restrictions within the United States on where loans are made, aggregate loans in excess of 5% of total loans were located in the following states as of December 31, 2018:

<u>State</u>	<u>Number of Borrowers</u>	<u>Principal Outstanding</u>	<u>Percent of Loan Portfolio</u>
Texas	38	\$ 6,405,415	15.3%
Oklahoma	32	5,721,139	13.7%
Virginia	14	4,223,596	10.1%
Florida	12	3,809,075	9.1%
Louisiana	8	3,521,186	8.4%
Total	104	\$ 23,680,411	56.6%

The concentration of loans in one or more states or regions increases the risk that adverse economic conditions in those areas could adversely affect collections on loans in that area, which could adversely affect our ability to repay the Debt Securities. We do not have any policy limiting the geographic concentration of our loans, except to the extent that loans may only be made on properties within the United States.

Our borrowers may be subject to risks associated with construction.

Our borrowers often use our loans to construct new facilities or renovate existing facilities. Approximately 10.1% of the dollars we disbursed in loans during 2018 were to finance construction projects, which are riskier than loans made to finance existing properties. Our five-year average of such loans is 8.75% of total loan disbursements. If any of the unique risks associated with construction and renovation are realized, including but not limited to costs associated with environmental and other regulations, the effects of economic slowdowns or service interruptions and/or legal challenges due to environmental or operational or other mishaps, they could adversely affect a borrower's ability to repay its loan by increasing construction costs or delaying or preventing completion of the project, and their failure to repay their loan could adversely affect our ability to repay the Debt Securities. See "LENDING ACTIVITIES" beginning on page 15.

The value of the collateral securing our loans could be reduced by environmental liability.

We do not typically conduct an environmental audit or any environmental-specific due diligence before approving a loan. If environmental contamination is found on or near property securing a loan, our security for the loan could be impaired. Under various environmental laws and regulations, an owner or operator of real estate may be required to investigate and clean up hazardous substances released at the property, and may be held liable for property damage and for analysis and remediation costs, which may be significant. This may adversely affect the owner's ability to sell or rent the property or to borrow using the property as collateral. In addition, some environmental laws create a lien on the contaminated site in favor of the government for damages and costs incurred in connection with the contamination. Persons who arrange for disposal or treatment of hazardous substances may also be liable for the costs of removal or remediation of these substances at the disposal or treatment facility. Finally, the owner of a site may be subject to common law claims by third parties based on damages and costs resulting from environmental contamination emanating from a site. If we are deemed to have participated in management of the property at issue, fail to conduct all appropriate inquiry prior to a foreclosure, or do not fall within certain statutory safe harbors following a foreclosure, we could be subject to lender liability for these same things.

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

Some of our liquid assets are invested in securities, which are subject to various investment risks that may result in losses. Sudden declines could materially reduce our liquid assets and cause a reduction in our net assets. See "INVESTING ACTIVITIES—Investment Policy," page 18. Past performance does not indicate how our investments will perform in the future.

Security Specific Risks:

- **Money Market Risk.** Although a money market fund is designed to be a relatively low risk investment, it is not free of risk. Despite the short maturities and high credit quality of a money market fund's investments, increases in interest rates and deteriorations in the credit quality of the instruments the money market fund has purchased may reduce the money market fund's yield and

can cause the price of a money market security to decrease. In addition, a money market fund is subject to the risk that the value of an investment may be eroded over time by inflation.

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

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

As of December 31, 2018, approximately 71% of our Debt Security balances were held by residents of three states: Oklahoma (32%), Virginia (20%), and North Carolina (19%). Declining economic conditions in these states could negatively affect the rate at which those residents reinvestment and our ability to raise funds through the sale of additional Debt Securities. In addition, approximately 65.19% of our outstanding Debt Security balances were held by investors who have \$100,000 or more invested with us. Unusually large redemptions by these investors could adversely affect our liquidity and other aspects of our operations. See Note 5 to the “FINANCIAL STATEMENTS.”

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

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

Our collateral may be impaired.

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

In addition, the Fund may make certain loans to borrowers secured by collateral other than mortgage liens or deeds of trust, including investment securities, guaranties of persons or entities affiliated with the borrowers, and liens

on vehicles, equipment, furniture, and other tangible assets, some of which may already be subject to higher-priority liens. See “LENDING ACTIVITIES—Loan Policies—*Collateral Qualifications*,” page 16. If the Fund were to have to seize any such assets to satisfy a borrower’s loan, the market value of the assets may not be sufficient to recover the entire outstanding balance.

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

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

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

Changes in state or federal laws, rules, or requirements regarding the sale of debt obligations of charitable or other non-profit organizations may limit or eliminate our ability to offer and sell Debt Securities in some states in the future. To the extent that we are dependent on the proceeds of future sales of Debt Securities to provide liquidity to make timely interest and principal payments on our outstanding indebtedness, including the Debt Securities, a cessation or substantial decrease in the sale of Debt Securities would adversely affect our ability to repay the Debt Securities. If we do not continue to qualify our Debt Securities in any particular state, investors in that state may not be able to reinvest their Debt Securities at maturity or purchase new Debt Securities.

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

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

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

The majority of our business records are stored and processed electronically, including records of our loans receivable, Debt Securities payable, and most other confidential business records. We rely to a certain extent upon third party vendors for providing hardware, software, and services for processing, storing and delivering information, which functions have inherent risks such as the potential for hardware failure, virus or malware infection, input or programming errors, inability to access data when needed, permanent loss of data, unauthorized access to data or theft of data. While we and our vendors take measures to protect against these risks, it is possible that these measures will not be 100% effective and that there may be other unknown or unidentified risks that may emerge in the future. If we were to experience large scale data inaccuracy, inability to access data for an extended time period, permanent loss of data, data breach, failure of our vendors to perform as contracted, or other significant issues regarding data it could adversely affect all aspects of our operations. In addition, if you elect to use our website and related online services (including electronic delivery services), we can offer no assurances and make no warranty as to their accuracy and availability, and such use is subject to the terms, conditions and limitations set forth in applicable usage agreements.

HISTORY AND OPERATIONS

The Fund

The International Pentecostal Holiness Church Extension Loan Fund, Inc. (the “**Fund**” or, as applicable, “**we**,” “**our**,” “**us**,” and the like) was incorporated on January 21, 1958 as an Oklahoma not-for-profit corporation. We were established to assist the International Pentecostal Holiness Church (the “**Denomination**”) and its member churches, Conferences, and other institutions to finance the construction, purchase and renovation of church

buildings, in furtherance of its mission of evangelism. We do this by issuing and selling our Debt Securities, the proceeds of which, together with the interest and dividends earned on our cash and investments and the principal and interest payments received on our outstanding loans, provides the funding for our ongoing lending activity to member churches and other institutions of the Denomination. Because we are organized and operated exclusively for religious, educational, charitable and benevolent purposes, we are a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). As a nonprofit corporation we have no stockholders, but we are affiliated with the Denomination by our common religious faith and by virtue of the fact that our Board of Directors is selected by the highest governing body of the Denomination. However, although we have close ties to the Denomination, and our primary purpose is to support its mission of evangelism, we are organized and operated as a separate legal entity distinct from the Denomination. For information concerning organizational matters, see “MANAGEMENT AND GOVERNANCE,” page 27.

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

The Denomination

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

The Denomination is comprised of approximately 1,732 church congregations across the United States. The missions and ministries of the Denomination are supported through tithing by the ministers and the congregations, as well as by free will offerings. In addition, the Denomination is affiliated with several colleges and benevolent homes throughout the United States and in other countries.

USE OF PROCEEDS

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

Generally, any funds not employed to make new loans will be invested to maintain a liquid reserve in accordance with our policy to keep a balance of Liquid Assets greater than or equal to 10% of the aggregate outstanding principal balance of our Debt Securities. Proceeds may be invested in certain short-term investments, primarily money market, certificates of deposit, treasury bills, and debt and equity securities. However, if revenues from our loans receivable are less than anticipated, or if redemption demands on maturing Debt Certificates exceed our historical experience, then it may be necessary to use a portion of the proceeds, along with other available funds, to meet such redemption demands and/or the payment of interest to our investors. See “FINANCING AND OPERATIONAL ACTIVITIES—General,” page 12.

No underwriters are participating in this offering and we will not pay any underwriting discounts or commissions in connection with the sale of the Debt Securities. Sales of the Debt Securities will be effected solely through our executive officers, who will receive no commissions, fees or other special remuneration for or in connection with such sales. All expenses of this offering, including printing, mailing, attorneys’ fees, accountants’ fees, and securities exemption, registration or filing fees will be borne by the Fund from our general operating revenue.

We estimate that the aggregate amount of such expense will not exceed \$200,000 (approximately 0.30% of the aggregate offering amount).

FINANCING AND OPERATIONAL ACTIVITIES

General

Our ability to conduct our lending activities and to repay principal and interest on our outstanding Debt Securities is dependent upon our financial condition and the monies available to us. Our primary sources of funds include monies received from the sales of new Debt Securities and income generated from our outstanding loans and other investments. Historically, we have been able to meet principal and interest requirements on our outstanding Debt Securities from our available funds. In the following sections, we summarize our financing and operational activities.

Information Regarding Debt Securities

Outstanding Debt Securities

The following table describes our outstanding Debt Securities as of December 31, 2018:

Type of Debt Security	Number of Certificates	Weighted-Average Interest Rate ⁽¹⁾	Maturing in 2019	Maturing in 2020	Maturing in 2021	Maturing in 2022	Maturing in 2023	Aggregate Principal Balance
Savings Certificate	450	1.16%	(4)	(4)				\$4,410,000
Fixed Rate Certificate ⁽²⁾	719	2.36%	\$18,701,761	\$10,664,651	\$2,797,761	\$4,221,057	\$2,739,220	\$39,124,450
IRA Fixed Rate Certificate ⁽³⁾	174	2.80%	\$ 883,505	\$1,921,553	\$1,209,552	\$2,151,245	\$558,354	\$6,724,209
Total	1,343	2.31%	\$19,585,266	\$12,586,204	\$4,007,313	\$6,372,302	\$3,297,574	\$50,258,659

⁽¹⁾ Expressed as APR (annual percentage rate).

⁽²⁾ 6 month – 60 month terms bearing interest at 1.61% to 4.02% APY.

⁽³⁾ 24 month or 60 month term bearing interest at 1.91% to 5.64% APY.

⁽⁴⁾ Investors who purchased Savings Certificates prior to the date of this Offering Circular may request a redemption of their Savings Certificates at any time prior to the stated maturity by giving the Fund a written demand to redeem, within thirty (30) days of which the Fund will pay the noteholder all principal and accrued and unpaid interest.

Sales and Redemptions of Debt Securities in 2018

In the calendar year ended December 31, 2018, we raised \$22,884,808 through sales of our Debt Securities, of which \$18,149,545 (not including interest which accrued and was compounded) was attributable to reinvestment or rollovers of the principal amounts of maturing Debt Securities, \$3,854,834 was attributable to sales of new Debt Securities, and \$880,429 was attributable to reinvestment of interest by holders of matured Debt Securities on the same or new terms. During 2018, we paid \$8,138,497 in connection with maturing Debt Securities that were redeemed and not immediately reinvested. Of that amount, approximately \$1,054,294 was paid in connection with maturing Debt Securities held by Denominational Accounts.

Renewals

It has been our historical experience that a significant percentage of the principal balance of maturing Fixed Rate Certificates is rolled over or reinvested by Investors. For the last three years, the average rate of reinvestment of our Fixed Rate Certificates was approximately 76%, with the following reinvestment rate for each year as shown in the following table:

<u>Year</u>	<u>Reinvestment Rate of Maturing Fixed Rate Certificates (Principal Only)</u>
2018	76%
2017	78%
2016	75%

Over the same period, the three-year average rate of reinvestment of the interest earned on our Debt Securities (including interest earned on Savings Certificates) was approximately 75%, with the following reinvestment rate for each year as shown in the following table:

<u>Year</u>	<u>Reinvestment Rate</u>
2018	80%
2017	73%
2016	73%

While our historical experience indicates that a large portion of the principal balance of maturing Fixed Rate Certificates is reinvested and that a large portion of interest earned on all Debt Securities is reinvested, we cannot guarantee that our historical pattern of reinvestment will continue.

Secured or Senior Debt

As of December 31, 2018, we had no indebtedness incurred or issued by the Fund and secured by assets of the Fund in such a manner as to have a priority claim against any of the assets of the Fund over and above the Debt Securities (“**Senior Secured Indebtedness**”). If we incurred Senior Secured Indebtedness, such as by opening a line of credit, it would be collateralized by certain assets of the Fund. Senior Secured Indebtedness would have a priority claim against the assets of the Fund over and above the Debt Securities. See “RISK FACTORS—*The Debt Securities are subordinate in ranking and priority in relation to claims of secured creditors,*” page 5. In no event will we incur Senior Secured Indebtedness in excess of 10% of our tangible assets.

Information Regarding Lending Activities

Outstanding Loans

Our loans receivable, net of loan loss reserves, were \$40,711,432, \$44,412,885 and \$45,729,192 as of December 31, 2018, 2017 and 2016, respectively. The number of loans outstanding, the weighted average interest rate and gross principal balance (i.e., before adjusting for loan loss reserve) on such loans were as follows:

<u>As of December 31,</u>	<u>Number of Loans</u>	<u>Weighted Average Interest Rate</u>	<u>Aggregate Principal Balance</u>
2018	199	6.37%	\$ 41,840,061
2017	191	6.36%	\$ 45,477,061
2016	199	6.48%	\$ 46,894,384

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

	<u>For the Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Interest income	\$ 2,868,807	\$ 3,079,612	\$ 2,995,461
Principal repayments	\$ 8,262,024	\$ 6,648,793	\$ 1,932,761
New loans	\$ 3,903,106	\$ 6,003,558	\$ 3,201,676

As of December 31, 2018, the aggregate principal balance on our loans was \$41,840,061, which reflects a decrease of \$3,637,000, or approximately 8.0%, compared to the previous year. At December 31, 2018, no single borrower had an outstanding loan balance that exceeded 5% of our total assets.

As of December 31, 2018, we had a total outstanding balance of \$657,488 in one participation loan, which originated in 2013.

Loan Maturities

The following summarizes the maturities of our outstanding loans for the periods indicated. For the year ended December 31, 2018, we extended some of our maturing loans by refinancing those loans.

<u>Maturity of Loan</u>	<u>As of December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
1 year or less	\$ 7,168,071	\$ 8,267,217	\$ 6,292,236
1 to 2 years	6,643,139	11,574,957	3,913,059
2 to 3 years	8,408,854	7,212,954	10,173,255
3 to 4 years	6,314,247	2,750,708	2,136,322
4 to 5 years	3,037,140	4,310,908	1,839,982
Over 5 years	10,268,608	11,360,317	22,539,530
	<u>\$ 41,840,061</u>	<u>\$ 45,477,061</u>	<u>\$ 46,894,384</u>

Loan Delinquencies

At December 31, 2018, we had six (6) outstanding loans (out of 199 total loans) on which interest and/or principal payments were delinquent for over ninety (90) days, whether in default or not (“**Loan Delinquencies**”). The six Loan Delinquencies had an aggregate principal balance of approximately \$2,302,096, which represented approximately 5.50% of the aggregate principal balance of our outstanding loans at such date. As of December 31, 2017, the principal balance of our Loan Delinquencies was \$93,803, which represented approximately 0.20% of our total loan portfolio of \$45,477,061. As of December 31, 2016, the principal balance of our Loan Delinquencies was \$2,238,633, which represented approximately 4.77% of our total loan portfolio of \$46,894,384. The total amounts of interest owing and delinquent on loans as of December 31, 2018, 2017, and 2016 were \$120,779, \$2,042, and \$114,589, respectively. We rely upon the payments of interest and principal from our loans to meet our liquid reserve needs and to generate funds to repay the Debt Securities as they mature and our other obligations. Loan Delinquencies reduce the amount of interest income and principal payments we receive from our loans and could adversely affect our ability to pay interest on the Debt Securities as accrued or to repay the Debt Securities as they mature.

In the years ending December 31, 2018, 2017, and 2016, we sustained loan charge-offs of \$18,942, \$168,375 and \$189,641, respectively. Due to the nature of our relationship with our borrowers, we are often willing to make accommodations with borrowers whose payments are not current, so long as those accommodations do not unduly jeopardize the interest of our Investors. ***Due to this unique relationship, our delinquency experience cannot be compared with that of a commercial lender.*** Notwithstanding the foregoing, we are being more aggressive with respect to our delinquent loans. During the year ending December 31, 2018, we did not commence any foreclosure proceeding or receive a deed in lieu of foreclosure on any properties securing our outstanding loans receivable.

We record an allowance for loan losses as a reduction in income. In the years ending December 31, 2018, 2017, and 2016, we had provisions for loan losses in the amounts of \$122,092, \$158,289, and \$160,208, respectively. Loan losses and recoveries are charged or credited, respectively, directly to the allowance for loan losses, which was \$959,508 as of December 31, 2018. We determine the adequacy of the allowance for loan losses based on a number of factors, including the collection of loans and evaluation of underlying collateral values, the number of days payments are delinquent, loss experience, identification and review of problem loans, quality of the loan portfolio and business and economic conditions. However, ultimate losses may differ from these estimates. The estimates are reviewed periodically and, as adjustments become necessary, are reported in earnings in the period in which they become known. It is our policy to charge-off any loan or portion thereof when it is deemed uncollectible. We determine when a loan or any portion of a loan is deemed to be uncollectible based on a number of factors, including the payment history of the loan, the ability of the borrower to make future payments and our efforts, if any, to realize the value of the collateral through foreclosure and sale.

As of December 31, 2018, we had impaired loans with a balance of \$5,167,037. A loan is considered impaired when based on current information and events, it is probable we will be unable to collect all amounts due from the borrower in accordance with the contractual terms of the loan. Impaired loans include nonperforming loans but also include loans modified in troubled debt restructurings where concessions have been granted to borrowers experiencing financial difficulties. These concessions could include a reduction in the interest rate on the loan, payment extensions, forgiveness of principal, forbearance or other actions intended to maximize collection.

Interest Rate Spread

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Interest income on loans	\$2,868,807	\$3,079,612	\$2,995,461	\$3,005,209	\$3,174,169
Interest expense on Debt Securities	1,144,017	1,192,655	1,261,643	1,383,320	1,554,790
Net interest income	<u>\$1,724,790</u>	<u>\$1,886,957</u>	<u>\$1,733,818</u>	<u>\$1,621,889</u>	<u>\$1,619,379</u>

LENDING ACTIVITIES

General

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

Loan Products Available

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

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

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

Loan Processing and Approvals

We receive requests for loans from local churches and Conferences at our offices in Oklahoma City, Oklahoma. After borrowers properly file their loan applications and accompanying documentation, their applications are reviewed by either our Executive Committee (a committee of our Board of Directors) if the requested loan amount is less than \$250,000, or the full Board of Directors if the requested loan amount is greater than \$250,000. Loan applications are generally evaluated in the order they are received and after all required information is provided.

The Fund’s Board of Directors has given the President of the Fund the authority to loan additional funds on an existing loan provided the additional amount requested is no more than \$100,000, if the borrower’s payment history on the loan is satisfactory and the total new principal balance does not exceed the original loan amount. The Fund’s President is also authorized to approve a loan when the borrower pledges a cash security deposit equal to 100% of the

loan requested, with the cash security deposit to be held by the Fund. The interest rate to be charged on this type of loan is 2.5% above the interest rate to be earned by the cash security deposit.

Our Board of Directors determines our loan policies, which may be revised at any time. Thus, we cannot assure you that the foregoing loan policies, amounts of loan funds available and interest rates offered will not be changed periodically. In addition, upon a vote of the majority of the Board of Directors, the Fund may deviate from the loan policies provided the Board of Directors has a reasonable basis for such deviation.

Loan Policies

Overview

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

The mortgage and promissory note executed in our favor typically contain an acceleration clause to the effect that in the event of default by the borrower, the entire unpaid balance of principal and interest shall become immediately due and payable. Before making any loan, we generally make contact through our staff with the leadership of the borrower, in order to discuss and accumulate pertinent information concerning the congregation and its past and present membership contributions in an effort to determine a prudent amount of indebtedness for the borrower and to realistically evaluate the congregation’s ability to repay. We generally require that no single loan exceed 5% of our outstanding loans receivable. See “FINANCING AND OPERATIONAL ACTIVITIES—Information Regarding our Lending Activities—*Outstanding Loans*,” page 13.

Loans to members of the Denomination located outside the United States are made through the World Missions Department rather than through a Conference.

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

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

- Financial information, including (if available) balance sheets, income statements, profit and loss statements, and bank statements.
- Sufficient proof of authorization of the loan transaction by the borrower’s governing body.
- Acknowledgment from the Conference of the Denomination, where the church or institution maintains its Denominational membership.

Collateral Qualifications. All loans are to be secured by approved collateral. The borrower may provide collateral in any of the following ways:

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

Underwriting Requirements—Loans Secured by Real Property

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

Ability to Pay Limit. In addition to the loan-to-value limit discussed above, the Fund takes into consideration how much of a church’s monthly income can be devoted to total debt service, including the contemplated loan. The ability to pay takes into consideration all regular revenue received by the church, which includes tithes, offering, and building fund contributions, etc. One-time gifts, irregular contributions, funds designated for other matters, and funds received for special giving, such as missions, may not be included in calculating a church’s annual income. The Fund generally considers applications for loans where the borrower’s total monthly payments of all debt service, including the contemplated loan, do not exceed 25% of the church’s monthly income, but we may consider loans with higher percentages in consideration of additional factors, such as additional collateral.

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

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

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

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

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

Underwriting Requirements—Loans Secured by Personal Property

Most of the above requirements for loans secured by real property do not apply where the collateral securing the loan is personal property. For loans that are secured by the Fund’s own Debt Securities issued to the borrower or other funds on deposit equal to the amount of the loan, the Fund will not rule out extending a loan, for example, because the borrower’s debt service payments exceed a certain percentage of its monthly income.

Underwriting Requirements—Construction Loans

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

Loan Refinancing

The Fund may refinance loans for the following reasons:

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

Additional terms and conditions for refinanced loans include the following:

- If a church has a delinquent loan or is in some type of distress, the Fund will make a determination whether or not a Forbearance Agreement can be entered into with the understanding that at the end of the forbearance period, provided the church complies with the terms of the forbearance, the Fund at its sole discretion may restructure, modify or refinance the loan. See also the discussion on “FINANCING AND OPERATIONAL ACTIVITIES—Loan Delinquencies,” page 14.
- A refinancing fee may be required by the Fund and paid by the borrower prior to or at the time of signing the loan documents.
- Where possible, a modification agreement will be utilized rather than a new deed of trust or mortgage.
- If an appraisal is required, the church must pay for the appraisal.

Loan Participation

We are currently party to a loan participation agreement with one lender, pursuant to which we have purchased a participation interest in a larger loan transaction. The terms of our participation arrangement provides that (i) we will receive a pro rata percentage of the principal and interest paid on the loan, less an annual fee of 0.25% of our outstanding participation balance for the loan originator’s responsibility to service the loan, (ii) we will pay our pro rata share of expenses incurred for extraordinary services required to preserve the property and protecting the security interest, and (iii) although the loan originator will be the sole secured party with respect to the collateral securing the loan, in the event the borrower defaults and foreclosure is initiated, we are entitled to our pro rata participation percentage of the proceeds received upon the liquidation and sale of any collateral. See “LENDING ACTIVITIES—Loan Policies,” page 16, and “LENDING ACTIVITIES—Loan Processing and Approvals,” page 15.

INVESTING ACTIVITIES

Investment Policy

In order to meet our interest and principal payment obligations on our outstanding Debt Securities and to support our lending activities, it is our policy to maintain liquid assets, consisting of cash, cash equivalents and marketable securities (collectively, “**Liquid Assets**”), in an aggregate amount equal to at least 10% of our aggregate outstanding principal balance of our Debt Securities. As of December 31, 2018, we had Liquid Assets in the amount of \$13,884,472, which equaled approximately 27.5% of our total liabilities at such date and 27.6% of the aggregate outstanding principal balance on our outstanding Debt Securities. Although it is our current intention to continue this policy, we cannot assure you that this policy will continue or that we will maintain amounts in excess of this policy requirement. To the extent that demands for new loans increase, our Liquid Assets may decrease.

A portion of our Liquid Assets is invested in securities, which are subject to investment risks. Sudden declines in value could materially reduce our Liquid Assets and cause a reduction in our Net Assets. See “RISK FACTORS—*We invest a portion of our liquid assets in securities that expose us to investment risks,*” page 8.

Our investment policies require that we allocate our Liquid Assets in accordance with the following limitations:

<u>Asset Class</u>	<u>Minimum Percentage of Liquid Assets</u>	<u>Maximum Percentage of Liquid Assets</u>
Global Equities	0%	20%
Global Fixed Income	15%	90%
Cash and Cash Equivalents	10%	100%
Real Assets (liquid)	0%	0%
Other Market Diversifiers	0%	20%

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

As of December 31, 2018, approximately \$3,157,885 of the Fund's Liquid Assets was managed by Cornerstone Planning Group, LLC; approximately \$2,679,091 was managed by Syntinsic Investment Counsel, LLC; and approximately \$3,414,384 was managed by the International Pentecostal Holiness Foundation, a party related to us by our common affiliation with the Denomination, which in turn has engaged the services of Syntinsic Investment Counsel, LLC. The remainder was held in cash, money market accounts and certificates of deposit with various financial institutions.

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

Cash and Investments

At December 31, 2018, our cash and investments were as follows:

<u>Description</u>	<u>Amount</u>	<u>Percentage of Total Assets</u>
Cash	\$ 3,241,541	5.77%
Money market accounts	595,994	1.06%
Interest-bearing investments	1,895,762	3.37%
Interest-bearing time deposits in banks	1,732,652	3.08%
Mutual funds	4,820,374	8.57%
Exchange-traded funds	440,263	0.78%
Investment in limited liability company	504,192	0.90%
Other	1,157,886	2.06%
Total	<u>\$ 14,388,664</u>	<u>25.59%</u>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Investment income	\$ 286,929	\$ 204,455	\$ 200,293
Net realized gain (loss) on investments, reported at fair value	225,383	18,236	(80,185)
Net unrealized gain (loss) on investments, reported at fair value	<u>(533,759)</u>	<u>259,432</u>	<u>113,060</u>
Investment fees	<u>(52,022)</u>	<u>(44,020)</u>	<u>(40,160)</u>
Total return (loss) on investments	<u>\$ (73,469)</u>	<u>\$ 438,103</u>	<u>\$ 193,008</u>

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SELECTED FINANCIAL INFORMATION

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

	At and for the Years Ended December 31,				
	2018	2017	2016	2015	2014
Cash, cash equivalents and readily marketable securities ⁽¹⁾	\$ 13,884,472	\$ 12,694,924	\$ 9,598,152	\$ 10,943,998	\$ 11,591,070
wLoans receivable, gross ⁽²⁾	41,840,061	45,477,061	46,894,384	46,000,336	45,024,781
Unsecured loans receivable	19,732	28,151	36,165	43,792	51,028
Unsecured loans as a percentage of gross loans receivable	0.05%	0.06%	0.08%	0.10%	0.11%
Loan Delinquencies as a percentage of gross loans receivable ⁽³⁾	5.50%	0.20%	4.77%	5.10%	9.15%
Total assets	<u>\$ 56,224,077</u>	<u>\$ 59,341,131</u>	<u>\$ 57,390,676</u>	<u>\$ 57,945,884</u>	<u>\$ 58,937,132</u>
Debt Securities outstanding	\$ 50,258,659	\$ 53,661,893	\$ 52,785,432	\$ 53,953,769	\$ 55,179,841
Accrued interest payable on Debt Securities	46,024	48,672	47,541	54,837	63,016
Debt Securities redeemed	8,138,497	4,531,774	5,228,049	6,960,462	6,563,310
Interest paid to Investors	266,236	319,359	340,467	392,186	396,887
Senior Secured Indebtedness	--	--	--	--	--
Other long-term debt	--	--	--	--	--
Net Assets	<u>5,811,311</u>	<u>5,556,356</u>	<u>4,479,177</u>	<u>3,665,687</u>	<u>3,232,447</u>
Change in Net Assets	<u>\$ 254,955</u>	<u>\$ 1,077,179</u>	<u>\$ 813,490</u>	<u>\$ 433,240</u>	<u>\$ 566,663</u>

⁽¹⁾ Consisting of cash, money market accounts, certificates of deposit, corporate debt securities, readily marketable equity securities, readily marketable debt securities and mutual funds.

⁽²⁾ In this table, loans receivable are presented on a gross basis rather than net of the reserves for losses on outstanding loans, which reserves totaled \$959,508, \$856,358, \$866,444, \$831,399, and \$861,665 for the years ending December 31, 2018, 2017, 2016, 2015, and 2014, respectively.

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

DESCRIPTION OF THE DEBT SECURITIES

We are offering two different types of Debt Securities through this Offering Circular: (i) Savings Certificates, which are securities with interest rates that may vary from time to time, and (ii) Fixed Rate Certificates, which have varying terms of 6 months to 60 months, the interest rates for which are set upon the original purchase date and remain fixed for the term of the investment.

THESE DEBT SECURITIES ARE NOT INSURED BY THE FDIC, THE SIPC OR ANY OTHER STATE OR FEDERAL GOVERNMENTAL AGENCY.

The Debt Securities Generally

Savings Certificates and Fixed Rate Certificates accrue interest daily from the date following the day of deposit. We compound interest at the rate of the respective Debt Security monthly in the case of Fixed Rate Certificates and semiannually in the case of Savings Certificates. We will retain and accrue interest on your Debt Security unless you specifically elect on the Investment Application to receive interest payments semiannually in the case of Savings Certificates, or monthly in the case of Fixed Rate Certificates. See “TAX ASPECTS,” page 25. Certain Fixed Rate Certificates have tiers of interest rates that correlate to different minimum purchase amounts. We determine the applicable interest rate by the amount of investment at the date of issue of the Debt Securities. Compounding of interest will not change the interest rate, even if the balance increases to the next minimum purchase tier.

No collateral is pledged to secure the payment of any of the Debt Securities and there is no guarantee by any of our affiliates or the Denomination to repay the certificates or to pay interest thereon. The Debt Securities are unsecured debt obligations of the Fund. This means, among other things, that (i) the payment of principal and interest on the Debt Securities depends solely upon our financial condition and strength, (ii) no assets are reserved or earmarked as collateral for the payment of principal and interest on the Debt Securities, (iii) if we were to suffer material financial difficulties, you could lose the entire amount of your investment, and (iv) if we were to ever have Senior Secured Indebtedness (including a secured line of credit) which we currently do not intend to have, our obligations to the secured creditors would rank ahead of you, and such creditors’ interest in our assets would have priority over any claim you may have. Our obligation to pay principal or interest on Debt Securities is a general obligation and ranks equal to our obligation to pay any other unsecured obligation, such as routine payables we incur in our day-to-day operations. No assurance can be given that we will not at some future date issue obligations that will have greater priority with respect to the assets of the Fund than the Debt Securities. In no event, however, will we incur Senior Secured Indebtedness in excess of 10% of our tangible assets (total assets less intangible assets as defined by GAAP). See “FINANCING AND OPERATIONAL ACTIVITIES—Information Regarding Debt Securities—*Secured or Senior Debt*,” page 13.

With respect to any Debt Security, failure of the Fund to pay principal and interest when due as requested will be an event of default by the Fund, but only as to that Debt Security. See “STATE NOTICES,” beginning on page iii, for information particular to your state of residence.

The purchase of a Debt Security will not entitle a purchaser to an equity interest in the Fund nor the right to vote on any corporate matter.

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

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

Redemption Prior to Maturity by the Fund

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

Event of Default

Non-payment of a Debt Security's principal and interest when due shall constitute a default by us. In the event of non-payment, we shall have ten (10) days within which to pay the principal and interest without penalty. The holder of a Debt Security has no rights of acceleration of payment of a Debt Security upon default, but may pursue all available legal and equitable remedies, if such default is not cured within the applicable ten (10) day period. In addition, if you are holding a Debt Security in default, you will be furnished with a current list of all other Investors upon request and within thirty (30) days of such event of default. See "STATE NOTICES," beginning on page iii, for information particular to your state of residence.

Description of Savings Certificates

Our Savings Certificates are demand notes and are offered for cash only, in any denomination or amount, with a minimum initial investment of \$100. Savings Certificates may be purchased electronically through an Automated Clearing House with your authorization. Interest on the Savings Certificates accrues daily from the date following the day of deposit, and we make our interest calculations based on a 365-day year. Interest compounds twice a year, at June 30 and December 31, at which times such interest is automatically reinvested or paid to you, depending on the option you select when you invest. We may change the interest rate payable on outstanding Savings Certificates with thirty (30) days' written notice of the new interest rate. The interest rates are set forth on the Interest Rate Sheet currently in effect, and may also be obtained by calling us at 1-800-407-8959. All interest is taxable to you, whether paid to you on the semiannual interest payment dates or retained and reinvested by you. See "TAX ASPECTS," page 25.

Principal and interest are payable at any time within thirty (30) days after you send to the Fund a written demand to redeem your Savings Certificate. Investors who purchased Savings Certificates prior to the date of this Offering Circular may request a redemption of their Savings Certificates at any time prior to the stated maturity by giving the Fund a written demand to redeem, within thirty (30) days of which the Fund will pay the noteholder all principal and accrued and unpaid interest.

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

Description of Fixed Rate Certificates

The Fixed Rate Certificates are of varying terms from 6 months to 60 months and pay interest at rates determined by the Fund. The interest rates are set forth on the Interest Rate Sheet currently in effect, and may also be obtained by calling us at 1-800-407-8959. For Fixed Rate Certificates of \$50,000 or more, we may authorize, at our discretion, the payment of a higher rate of interest.

You may purchase the Fixed Rate Certificates with a minimum investment of \$1,000 for terms of 6, 12, 24, 36, 42 and 60 months. Fixed Rate Certificates may be purchased through a Self-Directed IRA with a minimum

investment of \$1,000 for terms of 24 and 60 months. See “PURCHASE OF FIXED RATE CERTIFICATES THROUGH SELF-DIRECTED IRA,” page 25.

At least thirty (30) days prior to the maturity of your Fixed Rate Certificate, we will notify you in writing of the maturity date, along with a copy of our most recent Offering Circular, provided the most recent Offering Circular has not already been delivered to you. Your written notice will provide you with the option to either (i) reinvest the proceeds in a Fixed Rate Certificate or a Savings Certificate at the then-prevailing interest rate (*which may be lower than the interest rate on the maturing Debt Security*), or (ii) receive payment of the principal and accrued interest at maturity. If you affirmatively elect to reinvest the funds underlying the maturing Debt Security, or if we receive no response on or before the maturity date, the Fixed Rate Certificate will be reinvested in a new Fixed Rate Certificate. We will pay promptly to all Investors requesting payment at maturity the outstanding principal and accrued interest as of the maturity date. The minimum purchase amounts, the applicable interest rates and the available Debt Securities to which they apply are reflected in the Interest Rate Sheet currently in effect, which accompanies this Offering Circular and may also be obtained by calling us at 1-800-407-8959. See “STATE NOTICES,” beginning on page iii, for information particular to your state of residence.

To encourage Denominational churches to save funds for building projects, the Fund is offering a Fixed Rate Building Fund Certificate with a minimum investment of \$1,000 for a term of 12 months. The Fixed Rate Building Fund Certificate will allow for twelve monthly withdrawals over the 12-month term without any penalties, and other than the twelve monthly withdrawals, the Fixed Rate Building Fund Certificates have the same features and rights as the Fixed Rate Certificates. We may, from time to time in our sole discretion, change the interest rates payable on the Fixed Rate Certificates. However, we may not change the interest rate paid on a particular Fixed Rate Certificate during its respective term. For this offering, aggregate sales of Fixed Rate Certificates are limited to \$57,000,000.

Fixed Rate Certificates accrue interest daily from the date following the day of deposit. We calculate interest on the basis of a 365-day year. We compound the interest at the rate set forth on the face of each Fixed Rate Certificate monthly until the certificate matures. The Investor has the option to be paid interest monthly, quarterly or semiannually, or may elect in writing to have us retain the interest and reinvest it in the Fixed Rate Certificate, in which event such retained amounts will be compounded. You will have taxable income on interest as it accrues, whether or not it is distributed to you. See “TAX ASPECTS,” page 25.

Each Fixed Rate Certificate is evidenced by a certificate, which must be surrendered by the Investor upon payment. If your Fixed Rate Certificate is renewed at maturity, you will receive a statement reflecting the then-prevailing interest rate we will apply to the renewed certificate and the new maturity date. You may not pledge, assign, or otherwise transfer our Fixed Rate Certificates, except pursuant to the laws of descent and distribution, including the laws providing intestate succession.

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

<u>Maturity Date</u>	<u>Penalty</u>
6 - 12 Months	3 months' simple interest on the amount withdrawn at the rate being paid on the Fixed Rate Certificate at the time of withdrawal.
24 - 60 Months	6 months' simple interest on the amount withdrawn at the rate being paid on the Fixed Rate Certificate at the time of withdrawal.

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

We may or may not continue our policy of permitting early redemptions, at the sole discretion of the Fund. Accordingly, we cannot give you any assurance that we will continue to permit early redemption of Fixed Rate Certificates in the future, and we are not legally obligated to do so. Within ten (10) days of receipt of your request for

early redemption of a Fixed Rate Certificate, we will provide you with written notice as to whether we will or will not permit the early redemption of the Fixed Rate Certificate. If we decide to allow the redemption, the interest penalty will be deducted from the amounts otherwise payable upon redemption. The interest penalty may be waived in the event that the monies remain in the Fund, in the event of the death of the Investor, or in such other circumstances as we deem appropriate.

PURCHASE OF FIXED RATE CERTIFICATES THROUGH SELF-DIRECTED IRA

Individuals may also purchase Fixed Rate Certificates indirectly by opening a Self-Directed Individual Retirement Account (“**IRA**”) with Goldstar Trust Company (the “**Custodian**”). The Custodian charges \$45 per year to manage an IRA. The Fund pays these fees, and you incur no charges. You may open a Self-Directed IRA by contributing an initial deposit of at least \$1,000, or by “rolling-over” funds in an existing IRA or other qualified plan to the Self-Directed IRA. After your initial purchase of a Fixed Rate Certificate, you may make additional contributions during a given year up to the amount allowed by law. Fixed Rate Certificates purchased through a Self-Directed IRA will be held in the name of the Custodian, and we will not issue physical certificates. If you use your IRA funds to purchase Fixed Rate Certificates, you will be furnished with a current Offering Circular containing our Audited Financial Statements for the three calendar years immediately preceding the date of the Offering Circular.

An IRA is governed by the applicable provisions of the Tax Code, which impose substantial penalties for early withdrawal of funds invested in an IRA. Moreover, if you withdraw a Fixed Rate Certificate prior to its maturity, we will impose an early withdrawal penalty in an amount equal to three or six months’ simple interest, depending on the remaining term of the Fixed Rate Certificate at the time of withdrawal. You may obtain further information regarding the Self-Directed IRA program from us or the Custodian. **AS WITH ALL OF OUR DEBT SECURITIES, IF YOU PURCHASE FIXED RATE CERTIFICATES THROUGH A SELF-DIRECTED IRA, YOUR INVESTMENT WILL NOT BE INSURED BY THE FDIC, SIPC OR ANY OTHER STATE OR FEDERAL GOVERNMENTAL AGENCY.** The Fixed Rate Certificates are unsecured general obligations of the Fund.

PLAN OF DISTRIBUTION

You will not be allowed to invest unless you were, prior to receipt of this Offering Circular, a member of, contributor to, participant in or other member of the Denomination, the Fund, or any program, activity or organization which constitutes a part of the Denomination or the Fund, or other religious organizations that have a programmatic relationship with the Denomination or the Fund. You will be required to make a representation that your investment with the Fund will not exceed ten percent (10%) of your net worth (excluding your principal residence, furnishings therein, and personal automobiles).

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

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

TAX ASPECTS

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

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

- Although we are a 501(c)(3) organization, you will not be entitled to a charitable deduction for the Debt Security you purchase.
- Unless you hold your Debt Security through an IRA or other qualified tax deferred account, any interest on your Debt Security will be taxed as ordinary income in the year it accrues, whether paid by direct deposit or by check or compounded.
- Debt Securities purchased in an IRA or other qualified tax deferred account will be subject to the tax rules applicable to the account, and consultation with a competent financial and tax adviser is recommended.
- Unless you hold your Debt Security through an IRA or other qualified tax deferred account, we will provide you with a Federal Income Tax Form 1099 or the comparable form by January 31st of each year indicating the interest earned on your Debt Security(ies) during the previous year. This amount reported to you on the Internal Revenue Service Form 1099-INT is the interest that is taxable to you and should be included by you on your own personal tax return.
- You will not be taxed on the return of any principal amount of your Debt Security or on the payment of interest that was previously taxed.
- Payments of principal and interest may be subject to “backup withholding” of federal income tax (currently at the rate of 24%) if you fail to furnish us with a correct social security number or other tax identification number, or if you or the IRS has informed us you are subject to backup withholding.

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

If the law creating the tax consequences described in this summary changes, this summary could become inaccurate. This summary is based on the Internal Revenue Code, the regulations promulgated under the Code, and administrative interpretations and court decisions existing as of the date of this Offering Circular. These authorities could be changed either prospectively or retroactively by future legislation, regulations, administrative interpretations, or court decisions. Accordingly, this summary may not accurately reflect the tax consequences of an investment in our Debt Securities after the date of this Offering Circular.

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

LITIGATION

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

CERTAIN TRANSACTIONS

The International Pentecostal Holiness Foundation and the Fund are both affiliates of the Denomination. The Foundation has considerable assets derived from trust and estates and other sources which it invests in various types of diversified investments. As a part of the spirit of cooperation and common mission with the Denomination, the Foundation invests from time to time a portion of its unrestricted funds in Debt Securities of the Fund. As of December 31, 2018, \$6,554,695 of Debt Securities were held by the Denomination or entities that are members of the Denomination. In addition, the Foundation acts as investment manager of a portion of our Liquid Assets. At

December 31, 2018, the Foundation had under management \$3,414,384 of our Liquid Assets. We lease our primary office space from a related unit of the Denomination. The lease provides for minimum annual rentals of \$6,000. The lease has a term of one year with an unlimited number of extensions at the option of the Fund.

MANAGEMENT AND GOVERNANCE

Organizational Structure

The Fund is an Oklahoma nonprofit corporation. The members of the Fund are the members of the Council of Bishops of the Denomination. When that body is not in session, the members are represented by the Executive Committee of the Council of Bishops of the Denomination. See “HISTORY AND OPERATIONS—The Denomination,” page 11. The Fund’s affairs are governed by our Board of Directors pursuant to authority granted it by the certificate of incorporation and bylaws. The bylaws may be amended by a majority vote of our Board of Directors or the by the majority vote of the members at any respective annual meeting; provided, however, that any proposed amendment of the bylaws that would diminish the rights of the members must be approved by a majority vote of the members. Amendments to the certificate of incorporation must be approved by our Board of Directors and adopted by the members before they become effective.

Board of Directors

The Board of Directors is responsible for oversight of the Fund, the allocation of its resources, maintenance of its reserves, and the overall success of the Fund’s operations. Currently, our Board of Directors consists of seven (7) individual directors. Pursuant to our bylaws, directors shall be elected by the members of the Fund every two years, from a slate of candidates recommended by the Executive Committee of the Council of Bishops of the Denomination; provided, however, that the President of the Fund shall be a director during the time he or she holds the office of President. At all times, at least 70% of the directors shall be members of the Denomination.

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

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

Name/Position Held

Educational Background and Business Experience

G. David Benton,
Chairman of the Board of
Directors

A.A. from Emanuel College, B.A. in Economics from Clemson University, and graduate of the Graduate School of Community Bank Management, University of Texas at Austin; more than forty years of banking experience. Former (retired) Vice President with South State Bank (formerly First Federal of Charleston) in South Carolina; former chairman of Surfside Beach Planning and Zoning Commission for eighteen years; member of Kingsway P.H. Church, Myrtle Beach, S.C., and currently serving on the board of deacons; currently serving on the Board of Trustees of Emmanuel College, Franklin Springs, GA.; and member of our Board of Directors from 2000 to present.

John Hylton,
Vice Chairman of the Board of
Directors

Graduate of the University of Georgia Banking School 2012, and B.S. in Business Administration from Emmanuel College 1997; Senior Vice President of Pinnacle Bank in Lavonia, Georgia from 2008 to present; Business Banker from 2008 to present and Branch Manager from 2008 to 2012; over ten years of experience with Harbin Lumber in Lavonia,

Name/Position Held

Educational Background and Business Experience

	<p>Georgia from 1997 to 2008 as the Vice President, Sales Manager and Plant Manager; currently working in the business office of Franklin Springs P.H. Church in Franklin Springs, Georgia and served as Treasurer from 2004 to 2008; currently working with the Franklin County Chamber of Commerce; and a member of our Board of Directors from January 1, 2014 to present.</p>
<p>David B. Parker, Director & President</p>	<p>B.S. in Computer Science, minor in Business Administration from the University of Central Oklahoma; Lead Programmer/Analyst and Project Leader in Management Information Services for Scrivner, Inc. of Oklahoma City, Oklahoma from May 1991 to July 1994; Project Leader in Information Systems for Fleming Companies, Inc. of Oklahoma City, Oklahoma from July 1994 to March 1996; served on the Board of Directors of Foundation Capital Resources, Inc., a real estate investment trust (REIT) founded in 2000 and focused on providing mortgage financing to churches and other faith-based organizations throughout the United States from 2002 to 2006; our Vice President from March 1996 to December 2009, and currently our President from January 2010 to present. Member of our Board of Directors from October 2010 to present.</p>
<p>Travis Lowe, Director</p>	<p>Commercial banker with Grundy National Bank in Tazewell, Virginia. Has over 15 years banking experience and is an ordained minister with the IPHC. Currently pastors Crossroads Church in Bluefield, West Virginia. Mr. Lowe also leads Rebuild.Revive.Thrive, a local business owners' think tank for the common good. Through this organization he works with over 100 business owners to encourage economic development, entrepreneurship, and innovation in Appalachia as a response to the epidemic of drug abuse and poverty. Member of our Board of Directors from January 1, 2018 to present.</p>
<p>Donald Orr, Director</p>	<p>Graduated with a Bachelor of Science degree with honors from East Central University, Ada, Oklahoma; Certified Public Accountant since 1975 and a member of Oklahoma Society of Certified Public Accountants; active in both the AICPA and OSCP governing bodies, including having served as the President of the OSCP, and on the AICPA Council and chaired numerous committees and task forces; inducted to the Oklahoma Society of CPAs' Hall of Fame in 2008; retired in October 2013 as the managing partner of the CPA firm of Finley & Cook, PLLC in Shawnee, Oklahoma - the firm had over 200 employees and served a variety of industry segments. Member of our Board of Directors from January 1, 2014 to present.</p>
<p>Matthew Alfred, Director</p>	<p>Master of Christian Ministry, Chesapeake Bible College, Ridgely, Maryland 2010; working on Doctorate Degree in Theology; Bachelor in Accounting University of Bangalore; Diploma in Business and Accounting, South India; Licensed Minister of IPHC since 2007, was Executive Council Member of EVUSA of IPHC, Oklahoma 2009-2011; eighteen years in Commercial and Branch Banking and Licensed Life & Health Insurance Agent; Branch Manager & Vice President of SunTrust Banks Inc. from 2000 through present. Member of our Board of Directors from January 1, 2012 to present.</p>

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

Executive Officers of the Fund

Our daily operations are directed by four executive officers who are appointed by the Board of Directors. Officers are elected for a term of up to four years. As of the date of this Offering Circular, we have three other executive officers in addition to Mr. Parker, our President, whose biography is included above:

<u>Name/Position Held</u>	<u>Educational Background and Business Experience for at least the Preceding Five Years</u>
David B. Parker, Director & President	See biography under “Board of Directors” on page 28 above.
John C. Upton, Vice President of Marketing	Graduate from Southwestern Christian University with a B.S in Biblical Leadership; currently pursuing a M.S. in Financial Planning with Oklahoma State University; Director of University Advancement for Southwestern Christian University of Bethany, Oklahoma from August 2004 to September 2005; Assistant Director of Stewardship Ministries and Vice-President of IPH Foundation of Bethany, Oklahoma from September 2005 to December 2009; currently serving as our Vice-President from December 2009 to present. Professional Licenses: Series 63 (Uniform Securities Agent State Law Exam), CSP Certified Stewardship Professional, CISP Certified IRA Service Professional.
Stephen Hanscom, Vice President of Lending Services	B.S. in Biblical Studies, with a minor in Christian Education from Southwestern Christian University; Retail Manager for Wilson Leather of Minneapolis, Minnesota from November 1989 to September 1994; Logistics Manager for Quest Diagnostics Clinical Laboratories, Inc., of Denver, Colorado from September 1994 to March 1996; Commercial Claims Specialist for Orion Capital, of Denver, Colorado from March 1996 to August 1998; Dean of Student Development for Southwestern Christian University of Bethany, Oklahoma from August 1998 to October 2005; currently our Vice President of Lending Services from October 2005 to present, and serves as Co-pastor of Divine Life Church located in Oklahoma City, Oklahoma.
Wallace Hamilton, Secretary/Treasurer	Undergraduate studies at Southwestern Christian University and Henderson County Junior College, Athens, Texas; Vice President for Fiscal Affairs and Chief Financial Officer, Southwestern Christian University, 1990 to 2017; Controller, Federal Bureau of Prisons, 28 years (Retired); Financial Training Instructor, Federal Bureau of Prisons, 3 years (after retirement); President, El Reno Federal Credit Union (two terms); Commander, U.S. Navy, Retired (38 years combined service, active and inactive duty); Member of River of Life Pentecostal Holiness Church, served on the Board of Deacons for approximately 40 years, including 15 years as treasurer; our Secretary-Treasurer from 2008 to present.

David Parker, our President, John Upton, our Vice President of Marketing, and Stephen Hanscom, our Vice President of Lending Services, were the only current officers receiving a salary. The aggregate amount of all remuneration that we paid to these officers during 2018 was \$314,453, which includes salary, health and other

insurance, and retirement plan contributions. Each of them is expected to receive approximately the same compensation from the Fund for 2019. Wallace Hamilton, our Secretary and Treasurer, receives no compensation from the Fund. No officer, director or employee earned total compensation of \$150,000 or more from the Fund. None of our officers receives commissions, discounts, or other forms of remuneration for the sale of our Debt Securities. We do not pay compensation to any of our directors.

As of December 31, 2018, the Fund's directors and officers own Fixed Rate Certificates and Savings Certificates with aggregate outstanding principal balances of \$74,101 and \$5,600, respectively.

INDEPENDENT AUDITORS

Our financial statements as of December 31, 2018, 2017, and 2016 and for the years then ended, which are included at the end of this Offering Circular, have been audited by BKD, LLP, independent auditors, as stated in their report appearing herein. See "FINANCIAL STATEMENTS."

INTERNET

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

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THE INTERNATIONAL PENTECOSTAL HOLINESS CHURCH EXTENSION LOAN FUND, INC.

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

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

THE INTERNATIONAL PENTECOSTAL HOLINESS CHURCH
EXTENSION LOAN FUND, INC.

\$65,000,000

**Savings Certificates
and
Fixed Rate Certificates**

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

OFFERING CIRCULAR

August 27, 2019



For Additional Information, call:

**1-405-792-7161
or
1-800-407-8959**

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

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