



OPC LOAN FUND

ORTHODOX PRESBYTERIAN CHURCH LOAN FUND, INC.

A Delaware Nonprofit Corporation
607 Easton Road, Bldg. E
Willow Grove, Pennsylvania 19090-2539
Tel. (215) 830-0900; FAX (215) 830-0350
www.opclf.org

OFFERING CIRCULAR
\$20,000,000 FIXED INTEREST RATE PROMISSORY NOTES

<u>Type of Instrument</u> ⁽¹⁾⁽²⁾⁽³⁾	<u>Offering Price</u>	<u>Commissions & Underwriting Expense</u>	<u>Minimum Investment</u>
Fixed Interest Rate Promissory Notes ⁽⁴⁾	100% of Principal	None	\$1,000

⁽¹⁾ See “DESCRIPTION OF THE NOTES.”

⁽²⁾ The Notes will be offered and sold to a limited class of persons. See “DESCRIPTION OF THE NOTES – Limited Class of Investors”

⁽³⁾ The interest rate on the Notes will be the rate in effect at time of sale for the selected maturity. See “DESCRIPTION OF THE NOTES.”

⁽⁴⁾ The Notes are offered in varying maturities. See “DESCRIPTION OF THE NOTES.”

For current interest rates, please call the Loan Fund at (215) 830-0900, email the Loan Fund at loanfund@opc.org or visit the Loan Fund’s website at www.opclf.org.

The Orthodox Presbyterian Church Loan Fund, Inc. (the “**Loan Fund**”) is offering to sell up to \$20,000,000 of its unsecured fixed interest rate promissory notes (the “**Notes**”), as described herein (the “**Offering**”). The Notes offered hereby are unsecured debt obligations of the Loan Fund and are not guaranteed by the Orthodox Presbyterian Church or any church, presbytery, denominational committee, institution or agency affiliated with the Orthodox Presbyterian Church. The securities described in this Offering Circular will be sold without the payment of any commission, with all expenses of such offering being borne by the Loan Fund.

THE SECURITIES DESCRIBED HEREIN ARE ISSUED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 3(a)(4) OF THE FEDERAL SECURITIES ACT OF 1933. THE SECURITIES DESCRIBED HEREIN MAY EITHER BE REGISTERED OR EXEMPT FROM REGISTRATION IN THE VARIOUS STATES OR JURISDICTIONS IN WHICH THEY ARE OFFERED OR SOLD BY THE ISSUER. THIS OFFERING CIRCULAR HAS BEEN FILED WITH THE SECURITIES ADMINISTRATORS IN SUCH STATES OR JURISDICTIONS THAT REQUIRE IT FOR REGISTRATION OR EXEMPTION.

THE FACT THAT THESE SECURITIES HAVE BEEN REGISTERED IN CERTAIN STATES, OR THAT THEY MAY BE EXEMPT FROM REGISTRATION IN OTHER STATES, DOES NOT MEAN THAT THE APPLICABLE ADMINISTRATOR OF THE STATE SECURITIES LAWS NOR THE SECURITIES AND EXCHANGE COMMISSION (“SEC”) HAS PASSED IN ANY WAY UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION SET FORTH HEREIN, NOR THAT SUCH ADMINISTRATOR OR THE SEC HAS PASSED UPON THE MERITS OR QUALIFICATIONS OF OR RECOMMENDED, ENDORSED OR GIVEN APPROVAL TO, THE ISSUER, THE SECURITIES, OR THE OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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

THIS OFFERING IS SUBJECT TO CERTAIN RISKS. SEE PAGE 4 - “RISK FACTORS.”

The Date of this Offering Circular is April 28, 2024.

THE NOTES WILL BE OFFERED AND SOLD ONLY TO PERSONS WHO ARE, PRIOR TO OR AT THE TIME OF RECEIVING AN OFFERING CIRCULAR, MEMBERS OF, CONTRIBUTORS TO, OR PARTICIPANTS IN THE ORTHODOX PRESBYTERIAN CHURCH, THE LOAN FUND, OR IN ANY PROGRAM, ACTIVITY, OR ORGANIZATION WHICH CONSTITUTES A PART OF THE ORTHODOX PRESBYTERIAN CHURCH OR THE LOAN FUND OR IN OTHER CHURCH ORGANIZATIONS THAT HAVE A PROGRAMMATIC RELATIONSHIP WITH THE ORTHODOX PRESBYTERIAN CHURCH OR THE LOAN FUND.

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

THIS OFFERING CIRCULAR DOES NOT CONSTITUTE AN OFFER TO SELL OR SOLICITATION TO BUY ON BEHALF OF THE ISSUER IN ANY STATE IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED BY APPLICABLE LAW OR EXEMPT FROM REGISTRATION. NEITHER DELIVERY OF THIS OFFERING CIRCULAR NOR ANY SALES MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER SINCE THE DATE HEREOF.

THIS OFFERING CIRCULAR CONTAINS ESSENTIAL INFORMATION ABOUT THE ISSUER AND THE SECURITIES BEING OFFERED HEREBY. PROSPECTIVE INVESTORS ARE ADVISED TO READ THIS OFFERING CIRCULAR CAREFULLY PRIOR TO MAKING ANY DECISION TO PURCHASE THE SECURITIES OFFERED HEREBY.

THE NOTES ARE NOT SAVINGS OR DEPOSIT ACCOUNTS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, ANY STATE BANK INSURANCE FUND, THE SECURITIES INVESTOR PROTECTION CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY. THE PAYMENT OF PRINCIPAL AND INTEREST TO AN INVESTOR IS DEPENDENT UPON THE ISSUER'S FINANCIAL CONDITION. ANY PROSPECTIVE INVESTOR IS ENTITLED TO REVIEW THE ISSUER'S FINANCIAL STATEMENTS, WHICH SHALL BE FURNISHED AT ANY TIME DURING BUSINESS HOURS UPON REQUEST. THE SECURITIES DESCRIBED HEREIN ARE NOT NEGOTIABLE AND ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE. THESE SECURITIES MAY NOT BE TRANSFERRED OR RESOLD WITHOUT THE WRITTEN APPROVAL OF THE ISSUER AND AS PERMITTED UNDER THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. INVESTORS ARE ENCOURAGED TO CONSIDER THE CONCEPT OF INVESTMENT DIVERSIFICATION WHEN DETERMINING THE AMOUNT OF NOTES THAT WOULD BE APPROPRIATE FOR THEM IN RELATION TO THEIR OVERALL INVESTMENT PORTFOLIO AND PERSONAL FINANCIAL NEEDS.

STATE SPECIFIC INFORMATION:

CALIFORNIA RESIDENTS: The Commissioner of Financial Protection and Innovation of the State of California does not recommend or endorse the purchase of the securities described in the Offering Circular of the Orthodox Presbyterian Church Loan Fund, Inc. nor has the Commissioner or Department of Financial Protection and Innovation of the state of California passed upon the adequacy or accuracy of the information contained in this Offering Circular.

Automatic investment renewal at maturity as described in this Offering Circular is not available in California. The Loan Fund will notify each registered owner in California approximately thirty (30) days before his or her Note matures, at which time the holder will have the opportunity to notify the Loan Fund of his or her intention to renew the investment. The Loan Fund does not renew Notes owned by California residents until receiving an affirmative response or action taken by the Note holder. Upon maturity, the Loan Fund may, in its discretion, pay the principal balance and accrued but unpaid interest of the Note to the investor at the address last provided by the investor or the money may be held as a cash balance that will not earn interest until the Loan Fund receives a request for reinvestment or withdrawal from the Note holder. Any renewals by California residents will only be accepted by the Loan Fund if at the time of renewal there is a currently effective qualification in California (which may or may not be granted.).

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 THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION OF THE STATE OF CALIFORNIA, EXCEPT AS PERMITTED IN THE COMMISSIONER'S RULES.

FLORIDA RESIDENTS: These securities have not been registered with the Office of Financial Regulation, State of Florida.

MARYLAND RESIDENTS: Any securities sold in Maryland will be sold pursuant to a claim of exemption from registration under the Maryland Securities Act. The Division of Securities of the Office of the Attorney General of Maryland has not reviewed the information in this document nor passed in any way upon the merits of, recommended, or given approval to these securities. Any representation to the contrary is a criminal offense.

NEW YORK RESIDENTS: THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THE ISSUER'S MANAGEMENT HAS EXAMINED THIS OFFERING CIRCULAR AND BELIEVES THAT IT CONTAINS A FAIR SUMMARY OF THE DOCUMENTS REFERRED TO HEREIN, AND THAT THIS OFFERING CIRCULAR DOES NOT OMIT ANY MATERIAL FACT AND DOES NOT CONTAIN ANY MISSTATEMENT OF THE MATERIAL FACT.

OHIO RESIDENTS: The Commissioner of Securities of the State of Ohio does not recommend or endorse the purchase of these securities. In addition, if the Loan Fund receives as undeliverable two (2) returned statements or other notifications or communications pertaining to a security of the Loan Fund held by an Ohio resident, then the Loan Fund will declare the security inactive, monitor it as such and, if not already elected by the holder, accumulate, rather than pay, interest on the security. The security will continue to accrue interest until it is redeemed or until it is disposed of by the Loan Fund pursuant to applicable Ohio unclaimed property laws.

OREGON RESIDENTS: Automatic investment renewal at maturity as described in this Offering Circular is not available in Oregon. The Loan Fund will notify each registered owner in Oregon approximately thirty (30) days before his or her Note matures, at which time the holder will have the opportunity to notify the Loan Fund of his or her intention to renew the investment. The Loan Fund does not renew Notes owned by Oregon residents until receiving an affirmative response or action taken by the Note holder. Upon maturity, the Loan Fund may, in its discretion, pay the principal balance and accrued but unpaid interest of the Note to the investor at the address last provided by the investor or the money may be held as a

cash balance that will not earn interest until the Loan Fund receives a request for reinvestment or withdrawal from the Note holder.

PENNSYLVANIA RESIDENTS: A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES. THE PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES HAS NOT PASSED UPON THE VALUE OF THESE SECURITIES, MADE ANY RECOMMENDATIONS AS TO THEIR PURCHASE, NOR APPROVED OR DISAPPROVED THE OFFERING, NOR PASSED UPON THE ADEQUACY OR ACCURACY OF THE OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE REGISTRATION STATEMENT AND THE EXHIBITS FILED THEREWITH ARE AVAILABLE FOR INSPECTION AT THE OFFICES OF THE PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES, 17 NORTH SECOND STREET, SUITE 1300, HARRISBURG, PENNSYLVANIA 17101-2290, (717) 787-8059 OR 1-800-722-2657 (TOLL FREE IN PENNSYLVANIA), DURING REGULAR BUSINESS HOURS (MONDAY-FRIDAY, 8:30 A.M. TO 5 P.M.) OR FROM ORTHODOX PRESBYTERIAN CHURCH LOAN FUND, INC.

It is the position of the Pennsylvania Department of Banking and Securities that indemnification in connection with the violations of securities laws is against public policy and void.

EVERY PURCHASER OF THE SECURITIES DESCRIBED IN THIS OFFERING CIRCULAR HAS THE RIGHT TO WITHDRAW FROM THE PURCHASE AS PROVIDED BY SECTION 207(M) OF THE PENNSYLVANIA SECURITIES ACT OF 1972. IF YOU HAVE ACCEPTED AN OFFER TO PURCHASE THESE SECURITIES PURSUANT TO AN OFFERING CIRCULAR WHICH CONTAINS A WRITTEN NOTICE EXPLAINING YOUR RIGHT TO WITHDRAW YOUR ACCEPTANCE PURSUANT TO SECTION 207(M)(1) OF THE PENNSYLVANIA SECURITIES ACT OF 1972, YOU MAY ELECT, WITHIN TWO (2) BUSINESS DAYS AFTER THE FIRST TIME YOU HAVE RECEIVED THIS NOTICE AND AN OFFERING CIRCULAR (WHICH IS NOT MATERIALLY DIFFERENT FROM THE FINAL OFFERING CIRCULAR) TO WITHDRAW FROM YOUR PURCHASE AGREEMENT AND RECEIVE A FULL REFUND OF ALL MONIES PAID BY YOU. YOUR WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, YOU NEED ONLY SEND A WRITTEN NOTICE (INCLUDING A NOTICE BY FACSIMILE OR ELECTRONIC MAIL) TO THE ISSUER (OR UNDERWRITER IF ONE IS LISTED ON THE FRONT PAGE OF THE OFFERING CIRCULAR) INDICATING YOUR INTENTION TO WITHDRAW.

OF THE \$20,000,000 OF DEBT SECURITIES BEING OFFERED HEREBY, \$20,000,000 WILL BE OFFERED TO PENNSYLVANIA RESIDENTS.

SOUTH CAROLINA RESIDENTS: THE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SOUTH CAROLINA UNIFORM SECURITIES ACT OF 2005 IN RELIANCE ON THE EXEMPTION PROVIDED IN SECTION 35-1-201(7) THEREOF AND RULE 13-202 PROMULGATED THEREUNDER. IF YOU WERE A RESIDENT OF THE STATE OF SOUTH CAROLINA WHEN YOU PURCHASED A NOTE, YOU MAY DECLARE AN EVENT OF DEFAULT ON YOUR SECURITY ONLY IF ONE OF THE FOLLOWING OCCURS:

- WE DO NOT PAY OVERDUE PRINCIPAL AND INTEREST ON THE SECURITY WITHIN THIRTY (30) 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 SECURITY OF THE SAME ISSUE AS YOUR SECURITY (I.E., THE SAME INITIAL TERM, INTEREST RATE AND OFFERING CIRCULAR UNDER WHICH THE SECURITY WAS OFFERED AND SOLD) HAS RIGHTFULLY DECLARED AN EVENT OF DEFAULT AS TO HIS OR HER SECURITY.

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 SECURITY 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 SECURITY:

- THE PRINCIPAL AND INTEREST ON YOUR SECURITY 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 SECURITY OF THE SAME ISSUE AS YOUR SECURITY; AND
- THE OWNERS OF 25% OR MORE OF THE TOTAL PRINCIPAL AMOUNT OF SECURITIES OF THE SAME ISSUE OUTSTANDING IN THE STATE OF SOUTH CAROLINA CAN DECLARE THE ENTIRE ISSUE IN THE STATE OF SOUTH CAROLINA DUE AND PAYABLE.

SOUTH DAKOTA RESIDENTS: THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SDCL 47-31B-201(7)(B) OF THE SOUTH DAKOTA SECURITIES ACT. NEITHER THE SOUTH DAKOTA DIVISION OF INSURANCE NOR THE SEC HAS PASSED UPON THE VALUE OF THESE SECURITIES, MADE ANY RECOMMENDATIONS AS TO THEIR PURCHASE, APPROVED OR DISAPPROVED THE OFFERING, OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

WASHINGTON RESIDENTS: ANY PROSPECTIVE PURCHASER IS ENTITLED TO REVIEW FINANCIAL STATEMENTS OF THE ISSUER WHICH SHALL BE FURNISHED UPON REQUEST.

RECEIPT OF NOTICE OF EXEMPTION BY THE WASHINGTON SECURITIES DIVISION DOES NOT SIGNIFY THAT THE ADMINISTRATOR OF SECURITIES HAS APPROVED OR RECOMMENDED THESE SECURITIES, NOR HAS THE ADMINISTRATOR PASSED UPON THE OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE RETURN OF FUNDS OF THE PURCHASER IS DEPENDENT UPON THE FINANCIAL CONDITION OF THE ORGANIZATION.

THE SECURITIES WILL BE OFFERED AND SOLD IN THE STATE OF WASHINGTON ONLY TO PERSONS WHO, PRIOR TO THEIR SOLICITATION FOR THE PURCHASE OF SAID SECURITIES, WERE MEMBERS OF, CONTRIBUTORS TO, OR LISTED AS PARTICIPANTS IN, ORTHODOX PRESBYTERIAN CHURCH LOAN FUND, INC., OR THEIR RELATIVES, PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER RCW 21.20.310(11).

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SUMMARY INFORMATION

The following is a brief summary of certain information contained elsewhere in this Offering Circular. This summary is not intended to be complete and is qualified in its entirety by reference to more detailed information contained elsewhere in this Offering Circular, including the Appendices hereto. **ALL PROSPECTIVE INVESTORS ARE URGED TO REVIEW THE ENTIRE OFFERING CIRCULAR, INCLUDING THE APPENDICES, CAREFULLY.**

General

The Orthodox Presbyterian Church Loan Fund, Inc. (“**Loan Fund**”) is a legally autonomous and separately incorporated Delaware nonprofit corporation, established on October 15, 1993, under the supervision of The Committee on Home Missions and Church Extension of the Orthodox Presbyterian Church, Inc. (the “**Committee**”). As such, the Loan Fund is affiliated with, and was organized solely for the benefit of, the Committee and the members, churches and committees of the Orthodox Presbyterian Church denomination (the “**OPC**”). The OPC as a denomination has approximately 301 churches and a combined membership of more than 32,700 persons. The Loan Fund is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and under a group exemption issued by the IRS to the OPC on October 21, 1968 (the “**Group Exemption**”), and is qualified to receive tax deductible bequests, transfers or gifts.

The primary purpose of the Loan Fund is to act for the benefit of, and assist in, providing financing capital for the construction, remodeling, refinancing, or purchase of church buildings and other projects for OPC churches and other instrumentalities of the OPC. The Loan Fund’s principal activity is operating a church extension loan fund. The need for the Loan Fund arises primarily from the difficulties encountered by OPC congregations in financing capital expansion plans on their own. Long term bank financing can be very expensive, inflexible, and increasingly difficult to obtain. Generally, the high cost of money in the financial markets and the variety of instruments available to bank customers make it more expensive, and consequently more difficult, for churches to borrow money from traditional financial institutions. Additionally, the cost for individual OPC churches to comply with legal restrictions related to raising funds make it desirable to centralize fundraising and loan activities through the Loan Fund to minimize legal and borrowing costs.

The principal office of the Loan Fund is 607 Easton Road, Bldg. E, Willow Grove, Pennsylvania 19090-2539. The Loan Fund’s telephone number is (215) 830-0900 and its website address is www.opclf.org.

The Committee

The Committee is a nonprofit corporation organized under the laws of the State of Delaware and was formed for the benefit of the OPC denomination. The Committee is the corporate entity to which the Loan Fund reports. The Committee exists to help the presbyteries and congregations of the OPC start new Presbyterian and Reformed congregations throughout the United States, Canada and the Caribbean. Church plants start in the presbyteries and local congregations, and the Committee exists to serve and support the labors of such regional and local churches.

The principal office of the Committee is 607 Easton Rd, Bldg. E, Willow Grove, PA, and its telephone number is 215-830-0900. The Committee and the Loan Fund are separate legal entities, and the Committee has no direct or indirect liability for the Notes offered and sold by the Loan Fund.

Management of the Loan Fund

The Loan Fund is supervised and directed by a Board of Directors, consisting of six members. The Directors of the Loan Fund are elected by a majority vote of the Committee. The business and affairs of the Loan

Fund are managed by the Board of Directors subject to the review and approval of the Committee, to which the Loan Fund reports at least annually. The General Secretary of the Committee and the Loan Fund Manager are ex officio non-voting members of the Loan Fund Board of Directors. The day-to-day operations of the Loan Fund are conducted by the Loan Fund Manager who is under the supervision of, and reports to, the Loan Fund Board of Directors.

Geographic Scope of the Offering; Limited Class of Investors

The Loan Fund intends to conduct the Offering in those states throughout the United States of America where the Offering is legally permitted under applicable blue sky laws and regulations. Notes shall be sold to a limited class of investors. Eligible investors are those who are, prior to or at the time of receiving the Offering Circular, members of, contributors to, or participants in the OPC, the Loan Fund, or in any program, activity, or organization which constitutes a part of the OPC or the Loan Fund or in other church organizations that have a programmatic relationship with the OPC or the Loan Fund.

Description of the Notes

The Notes will be issued by the Loan Fund. The Notes are issued with various fixed maturity dates and interest rates, established from time to time by the Loan Fund. The initial interest rate on all Notes will depend on effective interest rates at the time of purchase. The interest rate at which Notes are issued will remain in effect for their entire terms. **Investors do not have any rights of early withdrawal (i.e., early redemption).** Restrictions on withdrawal and transfer apply. Notes are redeemable at any time in the discretion of the Loan Fund. If not redeemed, Notes automatically renew upon maturity for an equal term as the maturing Note, at the interest rate then being offered for the Notes of like maturity, unless, prior to the maturity date, the holder of a Note notifies the Loan Fund in writing ten (10) days prior to maturity that such renewal is not desired or the holder desires to reinvest (roll over) into a Note with a different maturity. The Loan Fund may establish, from time to time, Notes with varying maturities or with higher rates of interest that would apply to Notes with higher initial investment amounts or as an incentive to new investors. The interest rate offered for any new Note may be changed (increased or decreased) by the Loan Fund, in its sole discretion, from time to time, without issuing a supplement to this Offering Circular. The interest rates, minimum investment amounts, and permissible additional investment increments, and further information concerning the Notes offered through the Offering may be obtained from our current Rate Sheet and from the section of this Offering Circular entitled “DESCRIPTION OF THE NOTES” on pages 16 to 22.

For current interest rates, please call the Loan Fund at (215) 830-0900, email the Loan Fund at loanfund@opc.org or visit the Loan Fund’s website at www.opclf.org.

Financial Information

For selected financial information of the Loan Fund and a five-year summary of financial information of the Loan Fund, please see pages 9 and 10, respectively, of this Offering Circular. Audited financial statements of the Loan Fund, including the notes thereto, are included as Appendix A to this Offering Circular.

Use of Proceeds

Notes	\$20,000,000
Estimated Expenses	\$61,350
Net Proceeds	\$19,938,650

Net proceeds received from the sale of the Notes will be used by the Loan Fund solely for the benefit of the OPC and its member churches. The proceeds will be used primarily to make loans to finance capital improvements for OPC member churches and mission works, especially for those organized and supported by the Committee. Until the proceeds are actually disbursed as loans to member churches, the proceeds will be deposited in such banks, trust companies, or other financial institutions as the Board of Directors of the Loan Fund may select. See “LENDING ACTIVITIES” and “INVESTMENT ACTIVITIES.” No underwriters are participating in this offering and no underwriting discounts or commissions will be paid in connection with the sale of the Notes. All expenses of this offering, including legal, audit, printing and mailing costs and fees, will be paid by the Loan Fund. See “USE OF PROCEEDS.”

RISK FACTORS

The debt securities offered hereby involve risks to investors. The following factors should be carefully considered by prospective investors before making a commitment to purchase any of the securities offered hereby:

1. **The Notes are not secured.** The Notes to be issued are unsecured debt obligations of the Loan Fund. Repayment of principal and interest on the Notes issued by the Loan Fund will be entirely dependent on the financial condition of the Loan Fund. No assets of the Loan Fund have been or will be pledged as security for repayment of principal on the Notes. The securities offered hereby will be of equal rank with all other previously outstanding and future unsecured debt obligations and liabilities of the Loan Fund. So long as any of the securities issued by the Loan Fund remain outstanding, the amount of any senior secured obligations of the Fund shall in no event exceed ten percent (10%) of the tangible assets of the Loan Fund. See “DESCRIPTION OF THE NOTES.”

2. **Illiquid Investment; No Market.** The purchase of the Notes is an illiquid investment because there is no public market or other market for the Notes, nor are such markets likely to develop. In addition, the Notes are not transferable without the consent of the Loan Fund, and transfer may be restricted by applicable securities laws of certain states. Consequently, the Notes are likely to be held by an investor until maturity. Therefore, the Notes should be purchased only with funds that an investor does not, and will not, need for normal use or financial emergency and should only be considered as a long-term investment. Future changes in federal or state laws may affect the ability of the Loan Fund to continue to sell its Notes.

3. **There is no sinking fund or trust indenture to protect investors.** No sinking fund or trust indenture will be established to provide for repayment of the Notes and the absence thereof may adversely affect its ability to repay the Notes. Although cash is maintained to serve as a source of funds to make repayments to investors, such reserves are less than the total amount of outstanding Notes. If a large number of investors requested to withdraw funds at any one time, the Loan Fund could experience a cash flow shortage. Reserves are neither a sinking fund nor a segregated fund pledged to protect investors. See “DESCRIPTION OF THE NOTES - Liquidity Reserves.”

4. **The assets of the Loan Fund related to loan fund activities are not protected from the debts of the Loan Fund.** The assets of the Loan Fund, including any assets related to loan fund activities, would be available, if necessary, to meet the obligations of the Loan Fund arising from any source.

5. **The financial condition of the Loan Fund is the only protection for investors.** The Loan Fund’s ability to pay principal or interest on the Notes is dependent on its liquidity and financial condition. As of December 31, 2023, the Loan Fund had cash with a market value of approximately forty percent (40%) of the principal balance of its total outstanding Notes. In addition, \$106,727 is the total principal balance of the 2024 loan maturities that may be renegotiated with modified new terms. The Loan Fund has a \$300,000 line of credit with Port Richmond Savings Bank available to it which it did not use. During the year ended December 31, 2023, the Loan Fund experienced an increase of \$76,473 in Net Assets, resulting in an ending Net Asset balance of \$2,706,205. See “SELECTED FINANCIAL INFORMATION” and “FIVE YEAR SUMMARY OF FINANCIAL INFORMATION” on pages 9 and 10. A significant change in the rollover rate of maturing obligations (fewer rollovers; more redemptions at maturity) could affect the Loan Fund’s ability to pay principal or interest on the Notes. There is no guarantee that the Loan Fund will not experience declines in net assets in current or future years.

6. **A significant percentage of the outstanding Notes mature in 2024.** As of December 31, 2023, \$2,656,029 in Notes, which equals 25% of the \$10,755,260 outstanding Notes, were scheduled to mature in 2024. See “DESCRIPTION OF THE NOTES - Outstanding Debt Obligations.”

7. **Notes Not Insured.** The Notes are unsecured obligations of the Loan Fund and monies invested are not insured against loss. The Notes are not savings or deposit accounts or other bank instruments and are not insured by the FDIC, SIPC, any state insurance fund or any other governmental agency and are subject to investment risks, including the possible loss of the principal invested.

8. **No OPC Guarantee.** The Committee and OPC are legal entities separate and distinct from the Loan Fund, and do not own the Loan Fund. Neither the Committee nor the OPC has guaranteed repayment of the Notes or any other liabilities of the Loan Fund. You must rely solely upon the Loan Fund for repayment of the Notes.

9. **Redemption by Loan Fund.** The Loan Fund may redeem a Note at any time in its sole discretion. There will be no prepayment premium if a Note is called within two years of its maturity date. If a Note is called prior to two years before its maturity date, the Loan Fund will pay a prepayment premium of one-half of one percent (.50%) of principal for each year (or fraction thereof) in excess of two years remaining before the maturity date.

10. **No Right to Redeem or Withdraw Prior to Maturity.** The Loan Fund is not legally obligated to redeem any investors' Notes prior to maturity, and the investor has no right to early withdrawal. When the Loan Fund allows early redemption, a penalty may be deducted from the amount remitted. **The Loan Fund may, in its discretion, refuse to permit any or all early withdrawals.** See "DESCRIPTION OF THE NOTES – Restrictions on Withdrawal; No Early Redemption Rights" on page 18.

11. **Term Notes are subject to automatic renewal upon maturity unless redeemed by the Loan Fund.** Unless prohibited by applicable state law, automatic renewal will be at the then current rate of interest, for another term equal to the maturing Note unless the investor notifies the Loan Fund prior to the maturity date not to renew the Note.

12. **Reliance on Borrowers.** Loans by the Loan Fund will be made to member churches and other instrumentalities of the OPC. In most of those instances, the ability of the borrower to repay the loans will depend upon the contributions it receives from its members. Both the number of members of, and amount of contributions to, a borrower could fluctuate. There can be no assurances that a borrower will receive enough contributions to repay its loan from the Loan Fund. The Loan Fund may defer loan payments, allow interest-only payments, or make other loan payment relief options to accommodate borrowers, and the accommodations could negatively impact the Loan Fund's operations. If a sufficient number of borrowers default on their loans, the Loan Fund might not be able to pay principal or interest on the Notes.

13. **Geographic Concentration.** The concentration of loans in one or more states or regions increases the risk that adverse economic conditions in those areas could adversely affect the ability of borrowers located there to repay loans, and the Loan Fund's ability to repay the Notes. As of December 31, 2023, aggregate loans in excess of ten percent (10%) of the Loan Funds total loans were located in Pennsylvania (36%), New Jersey (12%), Texas (11%) and California (10%).

14. **Change in Interest Rates.** Interest rates may vary in the future. To the extent that interest rates rise for bank loans obtained by the Loan Fund or with respect to other Notes and evidences of indebtedness issued by the Loan Fund, the Loan Fund will be required to apply a larger portion of its revenues to the payment of interest on those obligations. This could adversely affect the Loan Fund's financial condition and ability to pay principal and interest on the Notes. Moreover, even if interest rates rise and other issuers offer notes with higher rates of return than the Notes, the Loan Fund will not be obligated to redeem the Notes or allow early withdrawal prior to maturity.

15. **Right to Change Loan and Investment Policies.** The Loan Fund reserves the right to change its policies and procedures. The Loan Fund's loan policies are described on pages 14 and 15 and its investment policies on page 8, and at various other places in this Offering Circular. These descriptions are intended to help investors understand the Loan Fund's current operations. If the Loan Fund changes its policies or procedures, including its loan or investment policies, there may be an adverse impact on the Loan Fund's ability to repay the Notes.

16. **Continuation of Sale of New Notes.** Failure to obtain additional authority for the continuation of the sale of new Notes could result in a failure of the Loan Fund to repay its maturing obligations.

17. **Interest on the Notes is taxable income.** Interest paid or payable on the Notes will normally be taxable as ordinary income to the holder regardless of whether interest is paid or allowed to accumulate, unless the holder is a tax-exempt organization. If interest paid is below the market interest, the Internal Revenue Service may impute income up to the market interest level. See "DESCRIPTION OF THE NOTES - Tax Considerations."

18. **Purchase of Notes does not entitle an investor to claim a charitable deduction.** The purchase of a Note is not a charitable contribution to the Loan Fund and investors may not claim a charitable deduction for federal income tax purposes as a result of purchasing Notes. See "DESCRIPTION OF THE NOTES – Tax Considerations."

19. **The Loan Fund's loan policies may be more lenient than those of commercial lenders.** Because of the relationship between the Loan Fund and its borrowers, the Loan Fund may be more willing to consider accommodations when payments fall behind or to consider refinancing loans than commercial lenders would be and loan policies, including loan underwriting and enforcement of loan terms in the event of delinquency, are generally less stringent than loan policies of commercial lenders. The Loan Fund would seek to aid its borrowers in most instances to meet loan obligations without foreclosure. This could have an adverse impact on the Loan Fund's revenue and adversely affect the ability of the Loan to repay the Notes.

20. **Relative Risk of Investment.** Risks of investment in the Notes may be greater than implied by relatively low interest rates on the Notes.

21. **State Regulation of Sales of Securities.** Changes in state laws, rules or regulations, or the applications thereof, regarding the sale of debt obligations of religious, charitable or other nonprofit organizations may make it more costly and difficult or impossible for the Loan Fund to offer and sell its debt obligations in the future. Such changes could affect the financial stability of the Loan Fund.

22. **There is potential environmental liability associated with the loans the Loan Fund makes.** The Loan Fund does not typically conduct an environmental audit before approving a loan. If environmental pollution or other contamination is found on or near property securing a loan, the Loan Fund's security for the loan could be impaired. In addition, changes in environmental regulations could require the borrower to incur substantial unexpected expenses to comply with such regulations and this could impair both the value of the collateral and the borrower's ability to repay the Loan Fund. This, in turn, could adversely affect the Loan Fund's ability to repay the Notes.

23. **Cybersecurity Risks, Dependence Upon Technology and Related Services.** The Loan Fund's operations, including, without limitation, data storage, electronic records, and online account access for investors, are dependent upon technology and related services, many of which are provided by third party vendors. The

Loan Fund’s electronic records include confidential investor information and proprietary information of the Loan Fund. Cyber threats are rapidly evolving and the Loan Fund may not be able to anticipate or prevent all such threats. While the Loan Fund and its vendors take measures to protect against these risks, the Loan Fund’s computer systems and network infrastructure are not immune to cyber-attacks, including denial of service attacks, hacking, terrorist activities, identity theft and other fraudulent, illegal or improper activity perpetrated by third parties. No cybersecurity measures will be one hundred percent (100%) effective, and there may be other risks that have not been identified or that may emerge in the future. If the Loan Fund were to experience large scale data inaccuracy, inability to access data for an extended time period, permanent loss of data, data breach, failure of the Loan Fund’s vendors to perform as contracted, other significant issues regarding data or other cyber compromises or failures, there would be a material adverse effect on the Loan Fund, its operations and its ability to repay its obligations under its securities as and when due. Even though the Loan Fund maintains cyber security insurance coverage, there is no assurance that this amount would be sufficient to remedy harm caused by corruption or compromise of the Loan Fund’s electronic systems and personally identifiable information maintained on those systems.

FORWARD-LOOKING STATEMENTS

Throughout this Offering Circular, we may make statements about possible future events or occurrences. These forward-looking statements are identifiable by words or phrases indicating that particular events “may” or “will” occur or that we “expect,” “anticipate,” “project,” “plan,” “believe” or “intend” that a particular event may or will occur in the future or similarly stated expectations. These forward-looking statements are subject to many factors, including the above Risk Factors and the other information contained in this Offering Circular that could cause actual results to differ materially from the stated expectations. We undertake no obligation to update or revise any forward-looking statements to reflect developments or information obtained after the date of this Offering Circular.

USE OF PROCEEDS

Notes	\$20,000,000
Estimated Expenses	\$61,350
Net Proceeds	\$19,938,650

It is anticipated that the expenses of this Offering will be approximately \$61,350, including auditing, legal, and printing, filing fees and other costs, with all expenses being borne by the Loan Fund. No underwriters are participating in the distribution of the Notes, and no underwriting discounts or commissions will be paid in connection with this Offering. The net proceeds from the sale of the Notes will be used to carry out the activities of the Loan Fund, principally church extension fund activities. The Loan Fund provides financing capital for the construction, remodeling, refinancing, or purchase of church buildings and other projects for OPC churches. The sale of the Notes is primarily related to the Loan Fund’s need for loan funds while maintaining sufficient liquidity to pay interest and repay maturing Notes.

Proceeds from the sale of the Notes and other income of the Loan Fund are accumulated in bank accounts and other investments until needed for loans, payments with respect to the debt securities, including potential withdrawals or other expenses of the Loan Fund. The Loan Fund does not presently require, nor does it anticipate that it will require, any proceeds of this Offering to meet interest payments on its outstanding debt obligations as of December 31, 2023; however, no assurance can be given that some portion of the proceeds from future sales will not at some time in the future be required to meet such interest payments. Reserves established with a portion of the proceeds from this Offering will be utilized to meet principal payments on maturing debt obligations.

INVESTMENT ACTIVITIES

The Loan Fund may invest its available funds that are not needed for loans or other expenses either directly or through short-term instruments (i.e., no longer than one year) with at least an A rating, including, without limitation, cash and cash equivalents, certificates of deposit, money market funds and other investments it deems suitable. The Board of Directors of the Loan Fund has the ultimate responsibility for investment policy. For information on the background of the Board of Directors, see “MANAGEMENT OF THE LOAN FUND.” As of December 31, 2023 and December 31, 2022, investment composition for the Loan Fund consisted of cash in interest-bearing checking accounts of \$4,328,418 and \$2,416,956 respectively.

CAPITALIZATION OF THE LOAN FUND

		December 31, 2023 <u>Actual</u>	December 31, 2023 <u>Pro Forma</u>
Short and Long-Term Debt Securities:			
	Debt Securities	\$10,755,260	\$10,755,260
	Anticipated Sales of New Notes ¹	-	\$2,742,022
Net Short and Long-Term Debt Securities		\$10,755,260	\$13,497,282
Net Assets:			
	Net Assets Without Donor Restrictions	\$2,706,205	\$2,706,205
	Net Assets With Donor Restrictions	-	-
Total Net Assets		\$2,706,205	\$2,706,205
Total Capitalization		13,461,465	\$16,203,487 ²

¹ Based on historical experience, of the total \$20,000,000 of Notes offered, approximately \$1,992,022 of the total offered will be deemed sold by virtue of renewals, including renewals of matured Notes. Based on historical average, approximately \$750,000 of the total offered will be sold as new sales of Notes providing new cash.

² Represents the sum of Net Short and Long-Term Debt Securities (including anticipated sales of new Notes), Total Net Assets Without Donor Restrictions and Net Assets With Donor Restrictions.

The above table assumes the anticipated new sales from the offering occurred at one time as of December 31, 2023 and does not take into account the anticipated redemption of maturing Notes during the twelve-month period, which are anticipated to be approximately \$664,007 based on historical experience.

SELECTED FINANCIAL INFORMATION

Following is a summary of selected historical financial data for the past five years. We have compiled this data from our audited financial statements. You should read this data in conjunction with the current audited financial statements included with this Offering Circular.

Year Ended December 31,

	2023	2022	2021	2020	2019
Cash, Cash Equivalents and Readily Marketable Securities (combined)	\$4,328,418	\$2,416,956	\$1,421,124	\$2,565,264	\$3,312,227
Total Loans Receivable, net	9,109,523	\$10,673,896	\$11,846,337	\$11,951,000	\$11,757,067
Loan Delinquencies (principal or interest delinquent 90 days or more) as Percentage of Loans Receivable	0%	0%	0%	0%	0%
Amount and Percent of Unsecured Loans Receivable	0%	\$0 (0%)	\$0 (0%)	\$0 (0%)	\$0 (0%)
Total Assets	\$13,461,465	\$13,119,169	\$13,322,489	\$14,570,327	\$15,121,732
Total Notes Payable	\$10,755,260	\$10,489,437	\$10,797,812	\$12,185,035	\$12,873,008
Amount of Notes Redeemed During the Fiscal Year	\$1,823,113	\$1,351,628	\$2,903,825	\$1,761,146	\$483,506
Net Assets	\$2,706,205	\$2,629,732	\$2,524,677	\$2,385,292	\$2,248,724
Change in Net Assets	\$76,473	\$105,055	\$139,385	\$136,568	\$180,282

FIVE-YEAR SUMMARY OF FINANCIAL INFORMATION

A summary of revenues, expenses and other net increase (decrease) in net assets for the years 2019 through 2023 is set forth below. This information is derived from the Loan Fund's audited financial statements for the period included as Appendix A to this Offering Circular.

Year ended December 31,

	2023	2022	2021	2020	2019
Revenues	\$617,943	\$ 568,617	\$ 621,161	\$ 650,574	\$ 678,727
Expenses	<u>478,523</u>	<u>463,562</u>	<u>481,776</u>	<u>514,006</u>	<u>498,445</u>
Other decrease in Net Assets	(62,947) ¹				
Change in Net assets	76,473	\$ 105,055	\$ 139,385	\$ 136,568	\$ 180,282

¹ Adoption of new accounting standards for credit losses.

ORTHODOX PRESBYTERIAN CHURCH LOAN FUND, INC.

\$20,000,000 FIXED INTEREST RATE PROMISSORY NOTES

GENERAL HISTORY AND OPERATIONS

The Orthodox Presbyterian Church

Founded in 1936, the Orthodox Presbyterian Church is one of several Presbyterian denominations in the United States. It is unreservedly committed to the Bible, in its original languages, as the divinely inspired and inerrant Word of God. The Bible is the primary standard as to who God is and what he requires of his people. Therefore, it is looked to as the only infallible rule of faith and life.

The OPC has as its subordinate or secondary standards the Westminster Confession of Faith written in 1643-1647 and the Larger and Shorter Catechisms. These documents have expressed the faith of multitudes of Christians around the world. The doctrines they set forth are in keeping with the major tenets of the Protestant Reformation of the 16th Century and also contain what has been known historically as Calvinism or Reformed teaching. In addition to these standards, the OPC follows the *Book of Church Order* comprised of a Form of Government, Book of Discipline and Directory for Worship.

The word “Presbyterian” is derived from the New Testament Greek word for elders (presbyters) who rule in the church. These elders not only rule in individual congregations, but in regional and national assemblies. The OPC has 17 regional groups of individual churches known as presbyteries. The national assembly of the OPC that usually convenes once a year is known as the General Assembly (“GA”). Commissioners are elected to the GA by the presbyteries on a proportionate basis.

The OPC, through the GA, has given high priority to the Great Commission: “...go and make disciples of all nations, baptizing them in the name of the Father and of the Son and of the Holy Spirit, and teaching them to obey everything I have commanded you” (Matthew 28:19, 20). This has resulted in the denomination’s commitment to an aggressive program of missions at home and abroad as well as the production and promotion of educational materials. This threefold emphasis is structured by three denominational committees: The Committee on Christian Education, The Committee on Foreign Missions, and The Committee on Home Missions and Church Extension. These committees are answerable to the GA and each is comprised of nine ministers and six ruling elders elected by the GA in three-year classes. Each committee is served by a general secretary (not a member of the committee) called by that committee to carry out its program administratively and ministerially. Total membership of the OPC is more than 32,700, which includes baptized children. Worshiping groups are designated as particular congregations when they are governed by a body of elders (the session); other groups are mission works until they attain the status of a particular congregation recognized by a presbytery. There are approximately 301 congregations and 31 mission works in the denomination for a total of 332 worshiping units.

In 2022, total giving in the OPC was approximately \$78.8 million, with per capita giving at \$3,273 per communicant member. In addition to supporting their local congregation, Orthodox Presbyterians supported the ministry of the three committees mentioned above through a combined GA-approved budget called Worldwide Outreach. The total budget for Worldwide Outreach for 2024 is \$5,545,000 and includes subsidizing a denominational magazine, *New Horizons*, and the expenses of the General Assembly’s Committee on Coordination, and other denominational expenses.

The OPC, through the GA, carries out a national and worldwide benevolent ministry. It also has a committee to administer a retirement plan for ministers and full-time employees. There are currently 584 ordained ministers

whose membership is in a presbytery (ordinarily in which they conduct their ministry) rather than in a local congregation. Several of these ministers serve as chaplains in the military forces of the United States.

At the congregational level, the OPC has member churches throughout the United States, two in Puerto Rico and five in Canada. Each congregation in the United States, whether state or territory, is entitled to tax exempt status from the Internal Revenue Service based upon its inclusion in the official OPC *Directory* of churches, compiled and maintained by the Trustees of the General Assembly of the Orthodox Presbyterian Church, Inc. On behalf of the Trustees the stated clerk of the General Assembly keeps the *Directory* updated.

A regional church consists of all the members of the local congregations and the ministers within a certain district or geographical area. The presbytery is the governing body of a regional church. It consists of all the ministers and all the ruling elders of the congregations of the regional church. The geographical boundaries of the presbyteries (currently 17) are established by the GA. A minister and ruling elder from each church attend meetings of their respective presbyteries that are held according to the bylaws of the presbytery and in accordance with the denominational *Book of Church Order*. The central and principal task of each presbytery is to monitor the spiritual state of its several congregations. Each presbytery is also involved in establishing new churches, adjudicating discipline matters and fostering fellowship in worship and nurture in the regional church.

The Loan Fund

The Loan Fund is a legally autonomous and separately incorporated Delaware nonprofit corporation, established on October 15, 1993, on a nonstock, membership basis as a nonprofit organization organized and operated exclusively for religious, educational, and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code (the “**Code**”). The principal office of the Loan Fund is 607 Easton Road, Bldg. E, Willow Grove, Pennsylvania 19090-2539. The Loan Fund’s telephone number is (215) 830-0900 and its website www.opclf.org. No part of the assets or net earnings of the Loan Fund will inure to the benefit of any private individual.

The Loan Fund was established under the supervision of the Committee. In establishing the Loan Fund in 1993, \$300,000 of capital was provided by the Committee. Additional funding in the amount of \$195,000 and \$41,054 was provided by the same committee in 1998 and 2009, respectively. See “RELATED PARTY TRANSACTIONS” on page 25. As such, the Loan Fund is affiliated with, and was organized solely for the benefit of, the OPC and its member churches and committees. **The OPC and the Committee are legal entities separate and distinct from the Loan Fund. Neither the OPC nor the Committee have any direct or indirect liability for the Notes offered and sold by the Loan Fund or any other liabilities of the Loan Fund.**

No substantial part of the Loan Fund’s activities will consist of distributing propaganda or otherwise attempting to influence legislation, except as permitted by the Code, nor will the Loan Fund participate or intervene in any political campaign on behalf of any candidate for public office. The Loan Fund is presently exempt from federal income taxation pursuant to Section 501(c)(3) of the Code and the Group Exemption, and donations to the Loan Fund may qualify as a charitable deduction.

The primary purpose of the Loan Fund is to act for the benefit of, and assist in, providing financing capital for the construction, remodeling, refinancing, or purchase of church buildings and other projects for OPC churches and other instrumentalities of the OPC. The Loan Fund’s principal activity is operating a church extension loan fund. The Loan Fund is authorized to raise funds for its activities from the issuance of securities or other evidences of indebtedness, from loans from banks, and from the receipt of contributions. The Loan Fund will primarily make loans for purposes including the purchase of sites for church buildings, the construction and remodeling of church buildings, the purchase of existing church buildings and, possibly, the purchase of equipment for use in the churches.

The Loan Fund depends, to a great extent, upon the support of investors for its continued ability to assist OPC congregations financially, many of which cannot finance their capital expansion projects from commercial loan sources at prevailing rates of interest. It is expected that investors will, at least in part, be motivated in purchasing the Notes offered by this Offering Circular by a desire to assist in the financing efforts of the Loan Fund. The Loan Fund provides OPC members an opportunity to assist OPC congregations with their capital expansion projects.

As a nonprofit, the Loan Fund has no shareholders. The Loan Fund is supervised and directed by a Board of Directors, consisting of six members. The Directors of the Loan Fund are elected by a majority vote of the Committee. The business and affairs of the Loan Fund are managed by the Board of Directors subject to the review and approval of the Committee, to which the Loan Fund reports at least annually. The General Secretary of the Committee and the Loan Fund Manager are ex officio non-voting members of the Loan Fund Board of Directors. The day-to-day operations of the Loan Fund are conducted by the Loan Fund Manager who is under the supervision of, and reports to, the Loan Fund Board of Directors.

The Notes will be offered by the Loan Fund solely through the Offering Circular. The Loan Fund Manager and any other authorized representatives of the Loan Fund, subject to applicable law, have primary responsibility for the offer and sale of the Notes. No commission or other remuneration will be paid to any officer or salesman in connection with any sale. This offering is being made by the Loan Fund, without the assistance of any brokers or dealers. The Loan Fund will, therefore, receive all proceeds from the sale of the Notes and will bear all of the related expenses.

The purchase of the Loan Fund's Notes does not entitle a purchaser to an equity interest in the Loan Fund or the right to vote on corporate matters of the Loan Fund.

The Committee

The Committee is a nonprofit corporation organized under the laws of the State of Delaware and was formed for the benefit of the OPC denomination. The Committee is the corporate entity to which the Loan Fund reports. The Committee exists to help the presbyteries and congregations of the OPC start new Presbyterian and Reformed congregations throughout the United States, Canada and the Caribbean. Church plants start in the presbyteries and local congregations, and the Committee exists to serve and support the labors of such regional and local churches.

The principal office of the Committee is 607 Easton Rd, Bldg. E, Willow Grove, PA, and its telephone number is 215-830-0900.

LENDING ACTIVITIES

In addition to the sale of Notes, the Loan Fund generates funds for operations through interest received with respect to outstanding loans. Loans issued by the Loan Fund are for the purpose of assisting organized churches and mission works of the Orthodox Presbyterian Church engaging in new capital improvement projects, including the purchase of sites for church buildings, the construction and remodeling of church buildings, the purchase of existing church buildings and, possibly, the purchase of equipment for use in the churches. Loans are classified as mortgage loans or supplemental assistance fund endowment (SAFE) loans. SAFE loans were created by the Loan Fund to provide interest-free loans to qualified OPC churches seeking to secure their first real estate holding. In the years ending December 31, 2023 and 2022, income from interest on loans was \$503,737 and \$546,196, respectively. In 2023 and 2022, loans were made in the aggregate principal amount of \$469,633 and \$766,570, respectively. At least ninety percent (90%) of the Loan Fund's outstanding loans will be secured by real or personal property or guaranteed by third parties. As of December 31, 2023, \$9,109,523 or one hundred

percent (100%) of the \$9,109,523 total net loans receivable were secured by real or personal property or guaranteed by third parties.

As of December 31, 2023, the Loan Fund had outstanding 38 loans. Of these loans, none were unsecured loans.

In the years ended December 31, 2023 and December 31, 2022, the Loan Fund received principal repayments on loans in the aggregate amount of \$1,972,578 and \$1,939,011, respectively.

As of December 31, 2023 and December 31, 2022, the net loans receivable for SAFE loans was \$0 and \$40,400, respectively, of the total net loans receivable of \$9,109,523 and \$10,673,896, respectively, for such dates.

The following is a summary of the scheduled principal repayments of the Loan Fund’s outstanding loans receivable as of December 31, 2023:

<u>Year</u>	<u>Scheduled Principal Repayments at 12/31/23</u>
2024	\$106,727
2025	189,707
2026	158,703
2027	0
2028	177,199
2029 and after	\$8,618,615
TOTAL	<u>\$9,250,951</u>

As of December 31, 2023, five borrowers had an outstanding loan balance greater than five percent (5%) of the Loan Fund’s total assets, with such loan having an outstanding principal balance of \$2,753,268.21.

The repayment of principal and interest on the debt securities offered hereby is dependent upon the financial condition of the Loan Fund, which is partially dependent upon the financial conditions of the various churches to which loans are extended. To the extent the Loan Fund is dependent upon funds other than operating income to repay principal and interest on outstanding debt obligations, and to the extent that existing investors do not extend their investments or renew their investments in amounts as substantial as has been the Loan Fund’s prior experience, there may be an effect on the Loan Fund’s financial condition and it may be necessary for the Loan Fund to obtain funds from other sources, including borrowings, to meet current cash needs.

General Loan Policies

1. The Loan Fund generally will not fund more than eighty percent (80%) of a project. Further, the Loan Fund generally will not fund a project which results in a debt service requirement for the borrowing church which is in excess of thirty percent (30%) of the borrowing church’s annual budget.
2. Payment terms will be on a monthly or quarterly basis and will include principal and interest payments wherever possible. In certain cases, loans might be repaid in installments which include interest-only with amortization of principal at a subsequent time.
3. Loans will be made on a secured basis in most circumstances. Thus, mortgages will be required on church real estate, improvements will be insured at replacement cost, and appraisals of collateral may be required

to justify the amount of the loan in relation to security provided. In some instances, it may be necessary or appropriate to make loans secured by personal guarantees of certain members of a congregation. Such situations will be reviewed carefully, and it is expected that most loans would not be made on that basis. The Board of Directors of the Loan Fund has the authority to make unsecured loans in its discretion, so long as at least ninety percent (90%) of the Loan Fund's outstanding loans are secured by real or personal property or guaranteed by third parties. Unsecured loans will bear the same rate of interest as secured loans.

4. In the event that the mortgagor or borrower fails to make three consecutive payments according to the terms of the loan, the Board of Directors will seek the advice of an appropriate committee of the presbytery that has jurisdiction with the intention of accelerating the loan and, in the case of secured loans, foreclosing on the security. The Loan Fund's lending policies have been established and are administered to provide reasonable assurance of sufficient loan quality to prevent excessive loan delinquencies.

5. Any claim or dispute arising from or related to the granting of a loan from the Loan Fund shall be settled through biblically-based mediation and, if necessary, legally binding arbitration in accordance with the *Rules of Procedure for Christian Conciliation* of the Institute for Christian Conciliation (formerly Association of Christian Conciliation Services), and judgment upon an arbitration award may be entered in any court having jurisdiction. Biblically-based mediation is a process that is conciliatory rather than adversarial in nature—that is, it encourages honest communication and reasonable cooperation rather than unnecessary contention and advocacy. If the parties are unable to resolve a dispute personally and privately, they may meet with one or more mediators to promote a constructive dialogue and voluntary settlement of the differences.

6. Loans will be due and payable in their entirety if a church withdraws from the denomination or if the building or addition financed is not used for church purposes. In the event that a church leaves the denomination, a six-month period may be granted to secure refinancing, the period to begin when the presbytery that has jurisdiction considers the church to be no longer a member church of The Orthodox Presbyterian Church.

7. The Loan Fund will not create, incur, or voluntarily permit any material lien upon any of its assets or otherwise incur material indebtedness having a prior claim to its assets or otherwise senior to the Notes except for (1) liens or charges for current taxes, assessments or other governmental charges which are not delinquent or which remain payable without penalty or the validity of which are contested in good faith; or (2) liens made to secure statutory obligations, surety or appeal bonds, or bonds for the release of attachments or for stay of execution; or (3) purchase money security interests for property hereafter acquired; or (4) judgment liens. For purposes of this covenant, the term "material" shall mean an amount which equals or exceeds ten percent (10%) of the tangible assets of the Loan Fund.

The above Loan Fund loan policies are determined by the Loan Fund's Board of Directors and are subject to revision or waiver from time to time. Thus, no assurance may be given that the foregoing loan policies, amounts of loan funds available, interest rates offered or security required will not be changed (a) periodically or (b) with respect to a particular loan or project.

Loan Applications

Churches applying for a loan from the Loan Fund will be required to complete an application form setting forth membership and economic data for the applicant church, demographic and economic information about the community where the applicant church is located, detailed information concerning the proposed capital improvement project, debt service ability of the congregation, and other related information. A loan application fee of \$250 must accompany a completed loan application form. Upon approval of a loan application, a one-time, required, legal fee, in an amount determined by the Loan Fund, and normally being \$1,250, shall be sent to the Loan Fund for the completion of the loan's legal documents. The Loan Fund may obtain further information concerning the applicant church and its community from the presbytery or its agent, and the presbytery or its

agent may also be requested to state whether it believes the applicant church is in need of the loan or whether the presbytery or its agent recommends the granting of the loan. The loan will be approved or denied by the Board of Directors of the Loan Fund. In making its decision, a more lenient lending policy than commercial lenders may be followed.

Loan Delinquencies

As of December 31, 2023, December 31, 2022 and December 31, 2021, no outstanding loans were (i) impaired or (ii) more than ninety (90) days delinquent in principal or interest payments.

Due to the nature of the relationship with its borrowers, the Loan Fund may be willing to consider accommodations with borrowers whose payments fall behind, or to consider refinancing their outstanding obligations. It is the purpose of the Loan Fund to aid its borrowers in most instances to meet their obligations without foreclosure. No assurance can be given, however, that the Loan fund will be able or willing to refinance or accommodate all borrowers who may in the future become delinquent.

Allowance for Credit Losses

The Loan Fund uses an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. At the end of the year, the Loan Fund recognizes an estimated allowance for credit losses. In addition, at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist or evaluated individually when a loan does not share similar risk characteristics. As of December 31, 2023 and December 31, 2022, the Loan Fund management estimated its allowance for credit losses on loans at \$142,947 and \$80,000, respectively. See “Allowance for Credit Losses” in Note 1 and Note 2 to the Financial Statements included as Appendix A.

DESCRIPTION OF THE NOTES

General

The Notes offered hereby are unsecured obligations of the Loan Fund. The Loan Fund’s principal activity is operating a church extension loan fund, and it will primarily make loans for purposes including the purchase of sites for church buildings, the construction and remodeling of church buildings, the purchase of existing church buildings and, possibly, the purchase of equipment for use in the churches. See “GENERAL HISTORY AND OPERATIONS – The Loan Fund” and “LENDING ACTIVITIES.”

The purchase price of the Notes is one hundred percent (100%) of the face value. The minimum initial investment for any Note is \$1,000. The management of the Loan Fund reserves the right to decrease the minimum initial investment amount and renewal, transfer or reinvestment amounts (including incremental investment amounts) for the Notes in its discretion, from time to time. The Notes are offered for cash and the Loan Fund offers no financing terms. In the discretion of the Loan Fund, there may be periods of time when certain maturities of Notes are not offered.

The initial interest rate on all Notes will depend on effective interest rates at the time of purchase. The interest rate on all Notes is fixed at the time of purchase. Interest rates are reviewed from time to time in the discretion of the Loan Fund Board of Directors. The Loan Fund Board of Directors has the responsibility for setting interest rates and does so based on its judgment of market conditions at a particular time.

For current interest rates, please call the Loan Fund at (215) 830-0900, email the Loan Fund at loanfund@opc.org or visit the Loan Fund’s website at www.opclf.org.

The Loan Fund may establish, from time to time, Notes with varying maturities and interest rates. Notes with the following maturities were available for purchase as of the date of this Offering Circular:

<u>Maturity</u>	<u>Interest Rate</u>	<u>Minimum Principal Amount</u>
1 Year Note	Fixed at time of sale	\$1,000
2 Year Note	Fixed at time of sale	\$1,000
3 Year Note	Fixed at time of sale	\$1,000
4 Year Note	Fixed at time of sale	\$1,000
5 Year Note	Fixed at time of sale	\$1,000
10 Year Note	Fixed at time of sale	\$1,000

Investors may elect to have interest on Notes either compounded quarterly or paid quarterly on March 31, June 30, September 30, and December 31.

Renewal or Reinvestment at Maturity

If not redeemed by the Loan Fund, Notes automatically renew upon maturity for an equal term as the maturing Note, at the interest rate then being offered for the Notes of like maturity, unless, prior to the maturity date, the holder of a Note notifies the Loan Fund in writing ten (10) days prior to maturity (with such ten (10) day period beginning on the day the Note holder's notice is mailed) that such renewal is not desired or the holder desires to reinvest (roll over) into a Note with a different maturity. There is no limit to the number of times a Note may be renewed or reinvested. At least thirty (30) days prior to the maturity date of the Note, the Loan Fund will notify (via mail) the holder of the maturity date, the proposed renewal terms, and provide the holder with the most recent Offering Circular and current Rate Sheet. The holder of a maturing Note not desiring to renew or reinvest the holder's Note must present the Note to the Loan Fund at least ten (10) days prior to the maturity date of the Note (with such ten (10) day period beginning on the day of the Note holder's mailing), in which case the Loan Fund shall promptly repay the principal and interest accrued thereon at maturity. The Loan Fund routinely makes all payment to investors (principal and interest) by check.

Purchasing Methods

Notes may be purchased with cash, by check, or by money order. The issuance of a Note may be denied at the discretion of the Loan Fund Manager, which may occur in periods when the Loan Fund has a higher than normal balance of uninvested cash. Denial of the issuance of a Note may be appealed by the applicant within thirty (30) days to the Board of Directors. The Board of Directors' decision shall be final.

Unsecured Obligations

All Notes will rank equitably and without preference with any Notes issued subsequently. Holders of the Notes offered hereby will be unsecured creditors of the Loan Fund. The Notes are not secured by any specific assets and payment is made from operating revenues of the Loan Fund. In the event of liquidation or any distribution of assets upon bankruptcy, reorganization or similar proceedings with respect to the Loan Fund, all unsecured debt obligations of the Loan Fund issued to the investors, including the Notes, will have an equivalent claim to the Loan Fund's assets.

Early Redemption by the Loan Fund

The Loan Fund may redeem any Note at any time in its sole discretion. There will be no prepayment premium due to the investor if any Note is redeemed by the Loan Fund within two years of its maturity date. If

a Note is redeemed by the Loan Fund prior to two years before its maturity date, the Loan Fund will pay a prepayment premium of one-half of one percent (.50%) of principal for each year (or fraction thereof) in excess of two years remaining before the Note's maturity date. For example, if a Note due in 2025 was redeemed by the Loan Fund in 2022, the Loan Fund would be required to pay a prepayment premium to the investor of one-half of one percent (.50%) of principal. If a Note due in 2023 was called in 2022, there would be no prepayment premium due to the investor.

Restrictions on Withdrawal; No Early Redemption Rights

The holder of a Note does not have a right to require the Loan Fund to redeem a Note (i.e., permit early withdrawal) prior to the stated maturity date of a Note. It is the policy of the Loan Fund to consider, in the sole discretion of its Loan Fund Manager, in consultation with its Board of Directors, requests for early redemption based upon (i) a representation of personal or financial emergency need or, (ii) in the case of investments made through a custodian of an Individual Retirement Account (IRA), as part of a Required Minimum Distribution (RMD), or (iii) the death of an investor, after a request from their spouse, descendant, or other beneficiary, provided the Board of Directors determines funds are available for such redemption. If early redemption is granted by the Loan Fund, the holder of such early redeemed note may, at the discretion of the Loan Fund Manager, incur a penalty of ninety (90) days' simple interest on Notes with a term length of one (1), two (2) and three (3) years, and one hundred eighty (180) days' simple interest on Notes with a term length of four (4), five (5) and ten (10) years (except in the case of death or RMD), and such penalty shall be deducted from the principal and interest amount remitted at redemption. If the Loan Fund permits early redemptions, the Loan Fund reserves the right to require advance notice and other reasonable conditions to early redemptions, determined at its discretion. There can be no assurance, however, that the Loan Fund will continue such policy in the future and the Loan Fund is not legally obligated to redeem any Notes prior to maturity.

IN ORDER TO PROTECT THE INTEREST OF ALL INVESTORS, THE LOAN FUND RESERVES THE RIGHT TO SUSPEND REDEMPTIONS OR POSTPONE THE DATE OF REPAYMENT FOR ANY PERIOD, NOT TO EXCEED THIRTY (30) DAYS, DURING WHICH AN EMERGENCY EXISTS AS DETERMINED BY THE LOAN FUND EITHER BECAUSE OF EXCESSIVE REDEMPTIONS OR OTHERWISE.

The Loan Fund may suspend or delay withdrawals from, or redemptions of, its securities in the event that any such security or the holder thereof is subject to an ongoing investigation by the Loan Fund, any governmental authority or any financial institution regarding identity theft, fraud or similar cyber-crime or there is a dispute relating to the legal ownership of any such security. Under such circumstances the Loan Fund may require (i) additional information to verify an investor's identity and disclose the same to government agencies as may be required by law; (ii) intervention by judicial or other binding legal authority to determine and/or rule on the proper legal ownership of such security or the finality of any investigation relating to the legal owner of such security; (iii) or mutual agreement of all interested parties as to the agreed upon ownership rights of such security. Holders of the Loan Fund's securities acknowledge and agree that the Loan Fund shall not be held liable regarding the suspension or delay of withdrawals under its securities pending any determinations of or investigations regarding ownership or other legal rights as set forth above.

Non-Transferability

An investor may only transfer his or her Note, with the Loan Fund's consent, to persons or entities who would be eligible to purchase or hold the Loan Fund's Notes originally, by gift, order of a court of competent jurisdiction, as security for a loan, or on death to descendants or the spouse of the investor, to investors holding similar Notes, or transfers by a corporate investor to a wholly-owned subsidiary or parent.

Default

An event of default shall occur if the Loan Fund fails to make any payment required by the Note when due and such default continues for more than sixty (60) days after the Loan Fund has received written notice of such failure from the Note holder.

The Loan Fund may from time to time offer additional evidences of indebtedness without notifying or obtaining the consent of the holders of the Notes offered hereby. The Loan Fund does not contemplate that any subsequent offering to investors of its evidences of indebtedness will be secured obligations and hence senior to the securities offered hereby. No assurance can be given, however, that the Loan Fund will not at some future date issue secured obligations which will have a prior claim to the assets of the Loan than the Notes. So long as any of the Notes issued by the Loan Fund remain outstanding, senior secured indebtedness of the Loan Fund shall in no event exceed ten percent (10%) of the Loan Fund's tangible assets.

The Notes are not savings or deposit accounts or other obligations of a bank and are not insured by the Federal Deposit Insurance Corporation, the Securities Investor Protection Corporation, any state bank insurance fund or any other governmental agency. The purchase of the Loan Fund's Notes does not entitle a purchaser to an equity interest in the Loan Fund or the right to vote on corporate matters of the Loan Fund.

Tax Considerations

Investors will recognize neither gain nor loss for federal income tax purposes, nor will they receive a charitable deduction, upon the purchase of the Notes. Generally, for federal income tax purposes the interest paid or payable by the Loan Fund on the Notes will be taxable as ordinary income to the holder, unless the holder is a tax-exempt organization. If interest is accrued over the life of the Note and is paid at withdrawal or termination, the holder must nevertheless report such interest as income on his or her federal income tax returns and state income tax returns, if applicable, ratably over the life of the security as it accrues. Upon sale or exchange of a Note, the seller would generally report either short term or long-term gain or loss, dependent upon the length of time held, the gain or loss being equal to the difference between his purchase price and the amount he or she receives upon sale or exchange, less previously accrued interest. However, transferability of the Notes is very limited. See "DESCRIPTION OF THE NOTES – Non-transferability."

Any Notes which would bear interest at "below-market" rates may fall within the imputed interest provisions of Section 7872 of the Internal Revenue Code, which, in some cases, impose tax liability on purchasers for the difference between market rates and the interest actually paid. The Internal Revenue Service has issued temporary and proposed regulations interpreting these provisions. The temporary regulations state that certain loans carrying "below market" rates of interest will be exempted from the imputed interest provisions of the Internal Revenue Code. The exemptions include a gift loan to a charitable organization (described in Code section 170(c)) if, at no time during the taxable year, the aggregate outstanding amount of loans by the lender to that organization exceeds \$250,000.

IRA account holders directing the investment of their IRA account assets in the Notes will generally not be taxed on the interest earned during the period a Note is held in the IRA account. The holder will be taxed at the time of the withdrawal. IRA account holders should consult applicable provisions of the Internal Revenue Code and related regulations.

Under the backup withholding rules, a holder of any Note may be subject to backup withholding at a rate of twenty-four percent (24%) with respect to reportable payments (including interest, dividends, original issue discount and proceeds of certain sales), unless such a holder (a) is a corporation, exempt from tax under Section 501(a) of the Internal Revenue Code, an IRA or comes within certain other exempt categories and, when required, demonstrates this fact, or (b) provides a certified taxpayer identification number, certifies that the holder is not

subject to backup withholding, and otherwise complies with applicable requirements of the backup withholding rules. A holder of a Note who does not provide the Loan Fund with his or her correct taxpayer identification number may be subject to penalties imposed by the Internal Revenue Service. Backup withholding is not an additional tax. Any amounts so withheld may be credited against the federal income tax liability of the person subject to such withholding.

INVESTORS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING THE ACTUAL TAX CONSEQUENCES TO THEM OF A PURCHASE AND HOLDING OF A NOTE, INCLUDING THE TAXABILITY OF THE NOTES UNDER STATE AND LOCAL TAX LAWS AND, IF APPLICABLE, INTERNAL REVENUE CODE PROVISIONS AND RELATED REGULATIONS RELATED TO IRA ACCOUNTS.

Outstanding Debt Obligations

The payment of principal and interest on the Notes depends upon the financial condition of the Loan Fund and the funds available to it. The primary sources of funds available to the Loan Fund will be through receipt of the proceeds from the sale of Notes and other securities or evidences of indebtedness, if any, loans from banks and other sources, and revenue generated from outstanding loans and deposits. The Loan Fund’s portfolio may also include contributions and bequests that may be received.

As of December 31, 2023 and December 31, 2022, the Loan Fund had outstanding Notes in the aggregate principal amount of \$10,755,260 and \$10,489,437, respectively. The following tables show the distribution of outstanding Notes by year of maturity and initial maturity, respectively.

Notes Payable by Year of Maturity	
Year	Principal Outstanding as of 12/31/23
2024	\$2,656,029
2025	\$2,201,683
2026	\$1,354,406
2027	\$1,900,929
2028	\$1,593,607
Later Years	\$1,048,606
Total	\$10,755,260

<u>Initial Maturity</u>	As of 12/31/23		As of 12/31/22	
	<u>Principal Amount</u>	<u># of Notes</u>	<u>Principal Amount</u>	<u># of Notes</u>
One Year	\$800,954	26	\$984,963	29
Two Years	\$667,595	14	\$577,357	17
Three Years	\$1,278,528	43	\$1,078,520	49
Four Years	\$1,228,371	24	\$1,005,044	26
Five Years	\$2,910,570	138	\$3,003,349	155
Ten Years	\$3,869,241	107	\$3,840,204	121
Total	\$10,755,260	352	\$10,489,437	397

Liquidity Reserves

The Loan Fund maintains liquid reserves for notes coming due as follows: 1) twenty-five percent (25%) of Note values coming due in ninety (90) days, and 2) ten percent (10%) of Note values coming due in one hundred eighty (180) days. In addition to the reserve for Notes coming due, \$25,000 will be reserved for other unexpected demands on the Fund. Reserve funds and funds available for loan commitments shall be invested in short-term instruments (i.e., no longer than one year) with at least an A rating.

As of December 31, 2023 and December 31, 2022, the Loan Fund's aggregate cash available was \$4,328,418 and \$2,416,956, respectively. As of December 31, 2023, the Loan Fund had available additional liquidity from a \$300,000 secured line of credit with Port Richmond Savings Bank. This line of credit did not have any amount outstanding as of December 31, 2023. See Note 4 in the Financial Statements included in this Offering Circular as Appendix A.

Sales in 2023 and 2022

For 2023 and 2022, sales of Notes, including new sales and reinvested interest, were \$2,088,936 and \$1,043,253, respectively.

Method of Sale

The Notes are offered and sold only through the Offering Circular. The Notes are offered directly by the Loan Fund and no direct or indirect commissions or other sales-based compensation will be paid to any individual or organization in connection with the offer and sale of the Notes. The Loan Fund Manager, and any authorized representative of the Loan Fund, subject to applicable law, have primary responsibility for the offer and sale of the Notes. The primary means of soliciting investors is through the use and distribution of this Offering Circular, which is typically delivered in response to invitations or inquiries from current investors or individuals, churches, or other institutions affiliated with the Orthodox Presbyterian Church, or accessed by investors through the Loan Fund's website. Where permissible, the Loan Fund may also send promotional material or advertisements directly to such investors, individuals, churches, or institutions, or it may publish it in denominational communications, including denominational websites and *New Horizons in the Orthodox Presbyterian Church*, a monthly magazine available online and in print. Such promotional material or advertisements would be intended to serve the limited purpose of generating requests to receive copies of the Offering Circular; the offer to sell the Notes will be made only through the Offering Circular.

Prospective investors may obtain a copy of the Offering Circular by contacting the Loan Fund office by phone or email or by visiting the Loan Fund's website at www.opclf.org. If the investor wishes to purchase a Note, the investor must complete a purchase application for the appropriate maturity of the Note and send the purchase application with payment in the amount of the purchase to the Loan Fund in Willow Grove, Pennsylvania. Additionally, for new investors, the Loan Fund may require additional information to verify the investor's identity. If the Loan Fund accepts the offer to purchase, an executed Note will be returned to the investor or delivered to the investor's individual retirement account.

Investors who purchase or direct the purchase of Notes for their IRA are responsible for any fees or other amounts charged by their account custodians. The Loan Fund is not eligible to serve as an IRA custodian.

The Loan Fund reserves the right, in its sole discretion, to reject a request to purchase a Note by any person or entity, to limit the amount which may be invested by any person or entity, and to limit the number of Notes that one investor may hold.

Limited Class of Investors

Notes shall be sold to a limited class of investors. Eligible investors are those who are, prior to or at the time of receiving the Offering Circular, members of, contributors to, or participants in the OPC, the Loan Fund, or in any program, activity, or organization which constitutes a part of the OPC or the Loan Fund or in other church organizations that have a programmatic relationship with the OPC or the Loan Fund.

MANAGEMENT OF THE LOAN FUND

Board of Directors

Since the Loan Fund is a nonprofit membership corporation, it has no shareholders. The Loan Fund is supervised and directed by a Board of Directors, consisting of six members. The management by the Board of Directors includes the review and supervision of the work of the Loan Fund Manager, periodic updating of the Offering Circular, the review of new loan applications, and the oversight of the overall operation of the Loan Fund. The Directors of the Loan Fund are elected by a majority vote of the Committee at a regular meeting and serve for terms of three years each and until a successor is elected and qualified. These elections are normally held at the June meeting of the Committee. Likewise, Directors' terms of office will normally expire at that meeting. The Board of Directors reports at least annually to the Committee. No more than three directors shall be non-members of the Committee. Any such directors must be members in good standing of an Orthodox Presbyterian Church.

If possible, Loan Fund Directors should have work experience in the banking or savings and loan business, in the real estate business, in investments, in accounting or finance, or in legal matters. A director who ceases membership in the Orthodox Presbyterian Church shall no longer be a member of the Board of Directors. Any vacancy occurring on the Board of Directors and any directorship to be filled by reason of an increase in the number of directors will be filled by the Board of Directors. A director elected to fill a vacancy will be elected for a term which extends until the next following meeting of the Committee, at which time the Committee will elect a director to fill the remainder of the unexpired term.

The directors of the Loan Fund and the year of expiration of their terms, together with their age and principal occupations, are as follows:

Gregory S. De Jong '25
607 Easton Road, Bldg. E
Willow Grove PA 19090-2539

Age 64; BA, Calvin College; CFP®; Ruling Elder, Bethel Presbyterian Church, Wheaton, IL; Member of the Committee on Ministerial Care, Orthodox Presbyterian Church; Investment Advisor, Savant Wealth Management, Rockford, IL; Former Principal of Paragon Advisors, LLC, Naperville, IL.

J. Kevin Baldwin '25
607 Easton Road, Bldg. E
Willow Grove PA 19090-2539

Age 59; BA, Covenant College; JD, DePaul University College of Law; Ruling Elder, Grace Presbyterian Church, Hanover Park, IL; Member of Presbytery Midwest Church Extension Committee; Member of Orthodox Presbyterian Church Home Missions Committee; Corporate Secretary, General Counsel & Director of Receivership Operations, Office of Special Deputy Receiver, Chicago, IL; Co-Chair of National Association of Insurance Commissioners Receivership Law Working Group.

John M. Mauldin '24
607 Easton Road, Bldg. E

Age 79; Associate Degree in Business Administration, Kings College, Charlotte, NC; Ruling Elder, Resurrection Orthodox

Willow Grove PA 19090-2539

Presbyterian Church, Matthews, NC; Member of the Committee on Home Missions and Church Extension, Orthodox Presbyterian Church; Retired from Dun & Bradstreet, Inc. (1966–2003).

The Rev. C. Steven McDaniel, Jr. ‘24
607 Easton Road, Bldg. E
Willow Grove PA 19090-2539

Age 43; BA, Geneva College; MDiv, Westminster Theological Seminary, Glenside, Pennsylvania; Member of the Committee on Home Missions and Church Extension, Orthodox Presbyterian Church; Associate Pastor of Calvary Orthodox Presbyterian Church, Glenside, PA.

Sidney O. Smith ‘26
607 Easton Road, Bldg. E
Willow Grove PA 19090-2539

Age 68; BA, Temple University; Member, Trinity Orthodox Presbyterian Church, Hatboro, PA; CEO of Port Richmond Savings, Philadelphia, PA; CPA

John J. Voss, II ‘26
607 Easton Road, Bldg. E
Willow Grove PA 19090-2539

Age 67; Deacon, Covenant Orthodox Presbyterian Church, Orland Park, IL; Member of the Committee on Diaconal Ministries; Owner and Operator, Keepsake Construction Co., Orland Park, IL, Owner and Operator, Princeton Builders, Inc., Orland Park, IL.

Ex Officio Board Members

In addition to the six directors specified above, the General Secretary of the Committee and the Loan Fund Manager shall be *ex officio* members of the Board of Directors having no vote, but having the right to participate in all meetings. The current *ex officio* members are the following:

Jeremiah W. Montgomery
607 Easton Road, Bldg. E
Willow Grove PA 19090-2539

Age 43; BS, University of Pittsburgh; MDiv, Greenville Presbyterian Theological Seminary; General Secretary, the Committee on Home Missions and Church Extension, Orthodox Presbyterian Church

Mark A. Stumpff
607 Easton Road, Bldg. E
Willow Grove PA 19090-2539

Age 34; BS, Lancaster Bible College; Ruling Elder, Providence Orthodox Presbyterian Church, Mifflinburg, PA; former Administrator, The Committee on Ministerial Care, Orthodox Presbyterian Church; Loan Fund Manager, Orthodox Presbyterian Church Loan Fund

Loan Fund Manager

The Board of Directors shall, on its own terms, engage the services of a Loan Fund Manager. The Loan Fund Manager shall be the principal administrative officer of the Loan Fund and shall have, subject to the supervision of the Board of Directors, general and active management of the business of the Loan Fund. The Loan Fund Manager may engage the services of a loan fund administrator to assist with the daily administrative functions of the Loan Fund.

Officers and Key Personnel

The Board of Directors elects the Loan Fund's officers at its annual meeting. The officers serve for one-year terms. The president, vice president, secretary, and treasurer must be members of the Board of Directors. The present officers and key personnel of the Loan Fund are as follows:

Mr. John M. Mauldin – President
Mr. Gregory S. De Jong – Vice President
The Rev. C. Steven McDaniel, Jr. – Secretary
Mr. Sidney O. Smith – Treasurer
Mr. Mark A. Stumpff – Assistant Treasurer
Jeremiah W. Montgomery – Assistant Secretary
Mr. Mark A. Stumpff – Assistant Secretary

As of the date of this Offering Circular, no petition under the Bankruptcy Act or any state insolvency law has been filed by or against any of the directors or officers of the Loan Fund and no receiver, fiscal agent, or similar officer was appointed by a court for the business or property of any such director or officer or of any partnership in which he was a general partner or of any corporation or business association of which he was an executive officer. None of the directors or officers of the Loan Fund has ever been convicted or pleaded nolo contendere in a criminal proceeding (excluding minor traffic violations and other minor offenses) or is the subject of a criminal proceeding which is pending as of the date of this Offering Circular. Moreover, none of the directors or officers of the Loan Fund has ever been held liable in a civil action (or, as of the date of this Offering Circular, is a defendant in any civil action) involving allegations of fraud for violations of any securities or franchise law, embezzlement, fraudulent conversion, misappropriation of property, theft or restraint of trade.

As of the date of this Offering Circular, (1) none of the directors or officers of the Loan Fund are or have been the subject of any order, judgment or decree of any court of competent jurisdiction or administrative or self-regulatory agency permanently or temporarily enjoining him from, or revoking or suspending his registration necessary for, any of the following: (i) acting as an investment advisor, investment advisory representative, underwriter, broker, or dealer in securities, or as an affiliated person, director or employee of any investment company, banks, savings and loan association or insurance company, (ii) engaging in or continuing any conduct or practice in connection with any such activity or in connection with the purchase or sale of any security or commodity futures related contract, (iii) representing an issuer offering or selling securities, (iv) acting as promoter, officer, director or partner of an issuer (or an individual occupying a similar status or performing similar functions) offering or selling securities or of a person who controls or is controlled by such issuer; or (v) relying upon an exemption from registration for securities; and (2) none of the directors or officers of the Loan Fund are or have been the subject of any order, judgment or decree of a federal or state authority or administrative or self-regulatory agency barring or suspending the right of any such director or officer to be engaged in any activity described in (1)(i)-(v) above, censuring such director or officer for any activity, ordering such director or officer to effect a rescission offer to persons who purchased securities of an issuer with whom such director or officer is or was controlled by or otherwise affiliated or connected with, imposing an administrative assessment, or adjudging such director or officer in contempt of any stop order, cease advertising order, cease and desist order, or order requiring return of sales compensation. None of the directors or officers of the Loan Fund has within the past five years filed a registration statement or application for exemption from registration that is currently subject to a stop order under a state's securities law.

Remuneration

No member of the Board of Directors receives any compensation from the Loan Fund for being a Director or officer. Directors are reimbursed for expenses (per rate for members of the Committee) incurred in attending

meetings of the Board or its committees. The Board meets at least once each year. The Loan Fund Manager is the Loan Fund’s only paid employee.

The following table sets forth the amount of annual direct and indirect remuneration paid to the executive officers or management of the Loan Fund in 2023 and scheduled compensation for 2024 (there are no employment contracts):

	<u>2023</u>			<u>2023 Aggregate</u>	<u>2024</u>
	<u>Cash Compensation</u>	<u>Insurance</u>	<u>Retirement</u>	<u>Remuneration¹</u>	<u>Scheduled Base Compensation</u>
All Executive Officers, Management and Directors as a Group	\$88,535	\$27,118	\$8,853	\$127,262	\$94,289

¹ Includes personal use of Loan Fund vehicle.

RELATED PARTY TRANSACTIONS

The Loan Fund shares office space and equipment with the committees of the OPC. An administrative fee is paid by the Loan Fund for these services. In addition, investment income from real estate that is being held by the Committee has been assigned to the Loan Fund.

As of December 31, 2023 and 2022, Notes held by various committees of the OPC that are related parties were \$1,976,162 and \$1,452,974, respectively. In addition, As of December 31, 2023 and 2022, Notes held by related parties including Loan Fund Board members, officers and employees, and families thereof were \$102,104 and \$100,772, respectively. As of December 31, 2023 and 2022, interest paid on the Notes held by various committees of the OPC was \$23,189 and \$22,821, respectively, and interest paid on the other related party Notes was \$917 and \$752, respectively.

LEGAL PROCEEDINGS

As of the date of this Offering Circular there are no pending or threatened material legal proceedings known to be contemplated by government authorities, administrative bodies or other persons, to which the Loan Fund is a party or to which any of its property is or may be subject.

LEGAL OPINION

curbow LLC, of Lemoyne, Pennsylvania, is securities legal counsel to the Loan Fund, and has issued an opinion to the Loan Fund Board of Directors that the securities offered hereby, when issued, will be legally issued and outstanding, fully paid and non-assessable and will constitute valid and binding debt obligations of the Loan Fund.

EXEMPTION-REGISTRATION

The securities described herein have not been registered with the U.S. Securities and Exchange Commission because they are exempt from registration by applicable federal law. These securities are also exempted from registration in certain states by state law, while in other states they have been required to be registered.

AUDITED FINANCIAL STATEMENTS

The Loan Fund's current audited financial statements will be made available to prospective investors upon written request, and will be mailed to investors within one hundred twenty (120) days after each fiscal year end. The financial statements for the Loan Fund as of December 31, 2023 and December 31, 2022, included in Appendix A, have been audited by McKonly and Asbury, LLP, as stated in their report thereon. The financial statements of the Loan Fund, as of and for the years ended December 31, 2021 and 2020 were audited by BKD, LLP (n/k/a FORVIS, LLP).

Appendix A
Audited Financial Statements

See attached.

ORTHODOX PRESBYTERIAN CHURCH LOAN FUND, INC.

FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
AND
INDEPENDENT AUDITOR'S REPORT



McKONLY
& ASBURY

TAX
ASSURANCE
CONSULTING
ACCOUNTING

ORTHODOX PRESBYTERIAN CHURCH LOAN FUND, INC.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Orthodox Presbyterian Church Loan Fund, Inc.

Opinion

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

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

Camp Hill

Lancaster

Bloomsburg

Philadelphia

macpas.com

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

McKonly & Asbury, LLP

Camp Hill Pennsylvania
March 11, 2024

ORTHODOX PRESBYTERIAN CHURCH LOAN FUND, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023 AND 2022

	ASSETS	
	<u>2023</u>	<u>2022</u>
Cash	\$ 4,328,418	\$ 2,416,956
Loans receivable, net of allowance for credit losses of \$141,428 and \$80,000	9,109,523	10,673,896
Accrued interest receivable	20,840	22,055
Property and equipment, net	<u>2,684</u>	<u>6,262</u>
Total assets	<u>\$ 13,461,465</u>	<u>\$ 13,119,169</u>
	LIABILITIES AND NET ASSETS	
Notes payable	<u>\$ 10,755,260</u>	<u>\$ 10,489,437</u>
Total liabilities	<u>10,755,260</u>	<u>10,489,437</u>
Net assets		
Without donor restrictions		
Board designated	737,839	680,468
Undesignated	<u>1,968,366</u>	<u>1,949,264</u>
Total net assets	<u>2,706,205</u>	<u>2,629,732</u>
Total liabilities and net assets	<u>\$ 13,461,465</u>	<u>\$ 13,119,169</u>

The accompanying notes are an integral part of these financial statements.

ORTHODOX PRESBYTERIAN CHURCH LOAN FUND, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	Without Donor Restrictions	
	2023	2022
Revenue, Gains and Other Support		
Contributions	\$ 47,771	\$ 115
Interest		
Loans receivable	503,737	546,196
Other	63,879	15,089
Miscellaneous income	2,556	7,217
	617,943	568,617
Expenses		
Administration fee	27,500	27,500
Advertising	1,988	327
Audit fees	19,084	20,900
Board meetings	258	159
Depreciation	3,578	3,578
Interest	224,892	240,859
Legal	36,518	17,171
Miscellaneous	11,327	10,458
Salaries and benefits	134,620	130,719
Staff travel	10,668	8,504
Supplies	4,374	1,323
Vehicle	5,235	2,064
Change in allowance for credit losses	(1,519)	-
	478,523	463,562
Change in net assets	139,420	105,055
Adoption of new accounting standards for credit losses as of January 1, 2023	(62,947)	-
Net assets, beginning of year	2,629,732	2,524,677
Net assets, end of year	\$ 2,706,205	\$ 2,629,732

The accompanying notes are an integral part of these financial statements.

ORTHODOX PRESBYTERIAN CHURCH LOAN FUND, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Operating Activities		
Changes in net assets	\$ 139,420	\$ 105,055
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	3,578	3,578
Provision for loan losses	(1,519)	-
Changes in accrued interest receivable	1,215	23,133
	142,694	131,766
Net cash provided by operating activities		
Investing Activities		
Principal payments received on loans receivable	1,972,578	1,939,011
Originations of loans receivable	(469,633)	(766,570)
	1,502,945	1,172,441
Net cash provided by investing activities		
Financing Activities		
Issuance of notes payable	2,088,936	1,043,253
Maturities and redemptions of notes payable in cash	(1,823,113)	(1,351,628)
	265,823	(308,375)
Net cash provided by (used in) financing activities		
Increase in cash	1,911,462	995,832
Cash, beginning of year	2,416,956	1,421,124
Cash, end of year	\$ 4,328,418	\$ 2,416,956
Supplemental cash flows information		
Interest paid to note holders	\$ 65,201	\$ 76,008
Interest reinvested by note holders	\$ 159,691	\$ 164,851

The accompanying notes are an integral part of these financial statements.

ORTHODOX PRESBYTERIAN CHURCH LOAN FUND, INC.

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Orthodox Presbyterian Church Loan Fund, Inc. (Loan Fund) is a legally autonomous Delaware nonprofit corporation, incorporated in 1993 under the supervision and direction of The Committee on Home Missions & Church Extension of The Orthodox Presbyterian Church, Inc. (OPC). Thus, the Loan Fund is affiliated with and organized solely for the benefit of the OPC and its members, churches, and committees. Its primary purpose is to provide financing capital for the construction, remodeling, refinancing, or purchase of church buildings and other projects for the OPC churches. The Loan Fund is supervised and directed by a Board of Directors consisting of six members. The Directors are elected by a majority vote of The Committee on Home Missions & Church Extension of the OPC. The day-to-day operations of the Loan Fund are conducted by the Loan Fund Manager who is under the supervision of and reports to the Board of Directors.

Basis of Presentation

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets, are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available at the discretion of the Board of Directors for general operations and Board-designated purposes.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulate that resources be maintained in perpetuity.

All contributions to the Loan Fund are reported as revenue and net assets without donor restrictions unless specifically restricted by the donor. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as revenue and net assets without donor restrictions. The Loan Fund has only had activities without donor restrictions during 2023 and 2022.

Use of Estimates

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

Material estimates that are particularly susceptible to significant change relate to the determination of the allowance for credit losses and the valuation of real estate acquired in connection with foreclosures

ORTHODOX PRESBYTERIAN CHURCH LOAN FUND, INC.

NOTES TO FINANCIAL STATEMENTS

or in satisfaction of loans. In connection with the determination of the allowance for credit losses and the valuation of other real estate owned, management obtains valuations for significant properties.

Cash

Cash includes funds held in banks for operating purposes. Funds invested in temporary investments are not considered cash equivalents. At December 31, 2023 and 2022 cash accounts exceeded federally insured limits.

Loans Receivable

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoffs are reported at their outstanding principal balances adjusted for any charge-offs and the allowance for credit losses. Loans are classified as mortgage loans or supplemental assistance fund endowment (SAFE) loans. Generally, these loans are collateralized by first mortgages on the primary buildings and facilities owned by the borrowers.

Interest income is accrued based on the unpaid principal balance.

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

Allowance for Credit Losses

Management meets with the leadership and, on occasion, congregation members of each church applying to the Loan Fund for loans and evaluates the creditworthiness of the applicant before approving and issuing loans. Once the loan has been approved and issued, management and the Board of Directors meet at least quarterly and continually monitor the loan repayment status and review any changes in creditworthiness and collectability of the various debtors.

Beginning January 1, 2023, the Loan Fund uses an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. At the end of the year, the Loan Fund recognizes an expected allowance for credit losses. In addition, at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist or evaluated individually when a loan does not share similar risk characteristics which could exist in circumstances where amounts are considered at risk or uncollectible.

ORTHODOX PRESBYTERIAN CHURCH LOAN FUND, INC.

NOTES TO FINANCIAL STATEMENTS

The allowance estimate is derived from a review of the Loan Fund's historical losses. There have been no loans written off as uncollectable by the Loan Fund since its inception in 1993. The allowance is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Loan Fund. The Loan Fund believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Loan Fund's portfolio of member churches have remained constant since the Loan Fund's inception.

Prior to January 1, 2023, the Loan Fund used an incurred loss methodology in establishing and revising an allowance for credit losses in the loan portfolio. The allowance for credit losses was established as losses are estimated to have occurred through a provision for credit losses reported in the statement of activities. Credit losses were charged against the allowance when management determined that the loan was uncollectable. Subsequent recoveries, if any, were credited to the allowance.

The allowance consisted of allocated and general components. The allocated component related to loans that were classified as impaired. For those loans that were classified as impaired, an allowance was established when the discounted cash flows or collateral value of the impaired loan was lower than the carrying value of that loan. The general component covered unclassified loans and was based on historical charge-off experience and expected loss given default derived from the Loan Fund's internal risk rating process. Other adjustments were at times made to the allowance for pools of loans after an assessment of internal or external influences on credit quality that were not fully reflected in the historical loss or risk rating data.

A loan is considered impaired when, based on current information and events, it is probable that the Loan Fund will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Impairment is measured on a loan-by-loan basis by either the present value of expected future cash flows discounted at the loan's effective interest rate or the fair value of the collateral if the loan is collateral dependent.

Property and Equipment

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

The estimated useful lives for each depreciable classification of property and equipment are as follows:

Vehicles	5 years
Office equipment	3 – 5 years

The Loan Fund capitalizes purchases in excess of minimum amounts established by the Board of Directors as follows:

ORTHODOX PRESBYTERIAN CHURCH LOAN FUND, INC.

NOTES TO FINANCIAL STATEMENTS

Information technology	\$ 5,000
Office furniture and equipment	5,000
Building improvements	10,000
Other equipment	10,000

Other Real Estate Owned

Assets acquired in settlement of a loan that are held for sale, are initially recorded at fair value less cost to sell at the date of transfer, establishing a new cost basis. Subsequent to the transfer, valuations are periodically performed by management and the assets are carried at the lower of carrying amount or fair value less estimated cost to sell. Revenues and expenses from operations of other real estate owned are included in the change in net assets without donor restrictions. For the years ended December 31, 2023 and 2022, there was no other real estate held for sale.

Notes Payable

The Loan Fund currently has outstanding notes payable with interest rates varying between 0.75 percent and 3.75 percent.

Investors may elect to have interest on notes either compounded quarterly or paid in cash quarterly on March 31, June 30, September 30, and December 31. Notes may automatically be renewed at the discretion of the Loan Fund at rates of interest determined by the Loan Fund, except notes held by California and Oregon residents since the California and Oregon investor must notify the Loan Fund in writing that he/she elects to reinvest the note proceeds at maturity. Note holders wishing to redeem their notes must present the note to the Loan Fund ten days prior to the maturity date.

The notes are unsecured obligations of the Loan Fund which are not transferable without the consent of the Loan Fund Board. The Loan Fund may call any note at any time at its sole discretion. For notes that are called within two years of maturity, there will be no prepayment premium. For notes called prior to two years before maturity, the Loan Fund will pay a prepayment premium of 0.5 percent of principal for each year or fraction thereof in excess of two years remaining before the note's stated maturity.

Functional Allocation of Expenses

Functional expenses (Note 10) presents the natural classification detail of expenses by function. Certain costs have been allocated between the program and supporting services based on usage and other methods.

ORTHODOX PRESBYTERIAN CHURCH LOAN FUND, INC.

NOTES TO FINANCIAL STATEMENTS

Exemption from Income Taxes

The Loan Fund is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code by virtue of its affiliation with the OPC. The OPC has received a group letter ruling issued to the OPC from the Internal Revenue Service and a similar provision of Pennsylvania state law. However, the Loan Fund is subject to federal income tax on any unrelated business taxable income.

Recently Adopted Accounting Standards

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, Financial Instruments – *Credit Losses (ASC Topic 326)*. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as CECL. CECL requires an estimate of credit losses for the remaining estimated life of a financial asset using historical experience, current conditions, and reasonable and supportable forecasts. Financial assets held by the Loan Fund that are subject to the guidance in FASB ASC 326 are loans receivable. The Loan Fund adopted the new standard using the modified retrospective approach effective January 1, 2023. The impact of the adoption resulted in a decrease of \$62,947 in net assets without donor restrictions as of January 1, 2023 and reported as a separate item on the statement of activities for the year ended December 31, 2023.

2. LOANS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES

Classes of loans at December 31, 2023 and 2022, consist of:

	2023	2022
Mortgage loans	\$ 9,250,951	\$ 10,703,896
SAFE loans	-	50,000
	<u>9,250,951</u>	<u>10,753,896</u>
Allowance for credit losses	<u>(141,428)</u>	<u>(80,000)</u>
	<u>\$ 9,109,523</u>	<u>\$ 10,673,896</u>

ORTHODOX PRESBYTERIAN CHURCH LOAN FUND, INC.

NOTES TO FINANCIAL STATEMENTS

Loans receivable at December 31, 2023, have scheduled principal amounts due as follows, which will vary from actual repayment dates:

2024	\$ 106,727
2025	189,707
2026	158,703
2027	-
2028	177,199
Thereafter	<u>8,618,615</u>
	<u>\$ 9,250,951</u>

The following tables present the activity in the allowance for credit losses as of and for the years ended December 31, 2023 and 2022:

	2023		
	Mortgage loans	SAFE loans	Total
Allowance for credit losses			
Balance, beginning of year	\$ 133,347	\$ 9,600	\$ 142,947
Provisions for credit losses	8,081	(9,600)	(1,519)
Charge-offs	-	-	-
Recoveries	-	-	-
	<u>\$ 141,428</u>	<u>\$ -</u>	<u>\$ 141,428</u>
Balance, end of year	<u>\$ 141,428</u>	<u>\$ -</u>	<u>\$ 141,428</u>
	2022		
	Mortgage loans	SAFE loans	Total
Allowance for credit losses			
Balance, beginning of year	\$ 70,400	\$ 9,600	\$ 80,000
Provisions for credit losses	-	-	-
Charge-offs	-	-	-
Recoveries	-	-	-
	<u>\$ 70,400</u>	<u>\$ 9,600</u>	<u>\$ 80,000</u>
Balance, end of year	\$ 70,400	\$ 9,600	\$ 80,000
CECL implementation	62,947	-	62,947
Balance, January 1, 2023	<u>\$ 133,347</u>	<u>\$ 9,600</u>	<u>\$ 142,947</u>

As part of the ongoing monitoring of the credit quality of the Loan Fund's loan portfolio, management tracks loans by determining if the loan is impaired or deemed unimpaired. As of December 31, 2023

ORTHODOX PRESBYTERIAN CHURCH LOAN FUND, INC.

NOTES TO FINANCIAL STATEMENTS

and 2022, there were no impaired loans. As of December 31, 2023 and 2022, there were no past due or nonaccrual loans.

3. PROPERTY AND EQUIPMENT

Property and equipment, stated at cost, consist of the following at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Vehicles	\$ 17,890	\$ 17,890
Less accumulated depreciation	<u>15,206</u>	<u>11,628</u>
Property and equipment, net	<u>\$ 2,684</u>	<u>\$ 6,262</u>

4. LINE OF CREDIT

The Loan Fund has available for its use a revolving bank line of credit and may borrow up to \$300,000. Interest varies with the bank's prime rate, which was 8.5% and 7.5% on December 31, 2023 and 2022, and is payable monthly. The line is secured by assignment of mortgages totaling 140 percent of the total commitment amount. The line matures on August 28, 2028. No amounts were outstanding on the line of credit as of December 31, 2023 and 2022.

5. NOTES PAYABLE

The Loan Fund's primary means of financing its activities is by issuing unsecured notes payable. At December 31, 2023, the scheduled annual maturities of notes payable are as follows:

2024	\$ 2,656,029
2025	2,201,683
2026	1,354,406
2027	1,900,929
2028	1,593,607
Thereafter	<u>1,048,606</u>
	<u>\$ 10,755,260</u>

ORTHODOX PRESBYTERIAN CHURCH LOAN FUND, INC.

NOTES TO FINANCIAL STATEMENTS

The composition of notes and interest rate ranges are as follows:

	2023 Interest rate	2023	2022
1- and 2- Year notes	0.75% to 1.75%	\$ 1,468,548	\$ 1,562,319
3- and 4- Year notes	0.875% to 2.25%	2,506,899	2,083,564
5- Year notes	1.25% to 2.75%	2,910,570	3,003,349
10- Year notes	1.75% to 3.75%	3,869,243	3,840,205
		<u>\$ 10,755,260</u>	<u>\$ 10,489,437</u>

6. COMMITMENTS AND CREDIT RISK

Commitments to Originate Loans

Commitments to originate loans are agreements to lend to a borrower as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since a portion of the commitments may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Each borrower's creditworthiness is evaluated on a case-by-case basis. The amount of collateral obtained, if deemed necessary, is based on management's credit evaluation of the counterparty. Collateral held varies, but typically includes real estate owned by churches. The Loan Fund had outstanding commitments to originate loans aggregating approximately \$900,000 and \$500,000 at December 31, 2023 and 2022.

Credit Risk

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

ORTHODOX PRESBYTERIAN CHURCH LOAN FUND, INC.

NOTES TO FINANCIAL STATEMENTS

7. BOARD-DESIGNATED NET ASSETS - SAFE

In 2004, the Board of Directors of the Loan Fund established the Supplemental Assistance Fund Endowment (SAFE) for the purpose of providing interest-free loans to certain qualifying churches. Furthermore, the Board has determined that contributions which may be received by the Loan Fund will be added to the SAFE unless otherwise directed.

The following schedule summarizes SAFE activity for the years ended December 31, 2023 and 2022:

	2023	2022
Board designated net assets, beginning of the year	\$ 680,468	\$ 680,278
Additions	47,771	115
Interest and dividend income	-	75
Provision for loan losses	9,600	-
Board designated net assets, end of year	\$ 737,839	\$ 680,468
Composition of balance		
Cash	\$ 737,839	\$ 640,068
Loans receivable, net	-	40,400
Board designated net assets, end of year	\$ 737,839	\$ 680,468

8. LIQUIDITY AND AVAILABILITY

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

	2023	2022
Cash	\$ 4,328,418	\$ 2,416,956
Interest receivable	20,840	22,055
Scheduled loan principal amounts due within 1 year	106,727	2,824,078
Total financial assets	4,455,985	5,263,089
Internal designated		
Board designated net assets	(737,839)	(680,468)
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,718,146	\$ 4,582,621

ORTHODOX PRESBYTERIAN CHURCH LOAN FUND, INC.

NOTES TO FINANCIAL STATEMENTS

The Loan Fund follows the financial standards included in the Statement of Policy Regarding Church Extension Fund Securities issued by the North American Securities Administrators Association, Inc. for liquidity status. The standards state that the Loan Fund's cash, cash equivalents, readily marketable securities, and available lines of credit shall have a value of at least 8 percent of the principal balance of its total outstanding notes payable, except that the value of available lines of credit for meeting this standard shall not exceed 2 percent of the principal balance of its total outstanding notes payable. To help manage unanticipated liquidity needs, the Loan Fund has a committed line of credit in the amount of \$300,000, which it could draw upon. See Note 4.

The Loan Fund owes \$2,656,029 in notes payable that are scheduled to mature during 2024. See Note 5 for the scheduled maturities of all notes. There is no stated provision for redemption of notes prior to maturity date and the Loan Fund is not legally obligated to redeem any notes prior to maturity. However, the Loan Fund does reserve the right, in its sole discretion, to consider requests for early redemption based upon a representation of personal or financial emergency, or in instances involving the death of the Note holder, coupled with the availability of funds for such redemption. In the event of an approval for such a request, a penalty may be assessed by the Loan Fund.

In addition to funding note redemptions, the Loan Fund must also fund its outstanding loan commitments. See Note 6. Historically, the Loan Fund has been able to meet loan funding requirements through a combination of existing cash and cash generated from loan repayments.

9. SIGNIFICANT CONCENTRATIONS

Borrower Concentrations

At December 31, 2023, five borrowers had an outstanding loan balance greater than 5% of total assets. As of December 31, 2022, two borrowers had an outstanding loan balance greater than 5% of total assets.

Notes Payable Concentrations

At December 31, 2023, three note holders had outstanding balances greater than 5 percent of total liabilities. At December 31, 2022, two note holders had outstanding balances greater than 5 percent of total liabilities.

ORTHODOX PRESBYTERIAN CHURCH LOAN FUND, INC.

NOTES TO FINANCIAL STATEMENTS

At December 31, 2023, the Loan Fund's investors were concentrated in four states as follows:

	Number of investor notes	Aggregate current balances	Percentage of note payable outstanding
Pennsylvania	94	\$ 3,874,510	36%
California	16	1,050,546	10%
New Jersey	51	1,318,607	12%
Texas	37	1,182,294	11%
	198	\$ 7,425,957	69%

10. FUNCTIONAL EXPENSES

As described in Note 1, the financial statements report certain categories of expenses that are attributed to more than one program or support function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include vehicle, depreciation and salaries and benefits which are allocated on the basis of estimates of time and effort. The tables below present expenses by both their nature and their function for 2023 and 2022.

Natural classification	Program lending and investments	Management and general	Total
Administration fee	\$ -	\$ 27,500	\$ 27,500
Advertising	1,988	-	1,988
Audit fees	-	19,084	19,084
Board meetings	258	-	258
Depreciation	1,789	1,789	3,578
Interest	224,892	-	224,892
Legal	36,518	-	36,518
Miscellaneous	11,327	-	11,327
Salaries and benefits	107,696	26,924	134,620
Staff travel	10,668	-	10,668
Supplies	-	4,374	4,374
Vehicle	2,618	2,617	5,235
Change in allowance for credit losses	(1,519)	-	(1,519)
	\$ 396,235	\$ 82,288	\$ 478,523

ORTHODOX PRESBYTERIAN CHURCH LOAN FUND, INC.

NOTES TO FINANCIAL STATEMENTS

Natural classification	Program lending and investments	Management and general	Total
Administration fee	\$ -	\$ 27,500	\$ 27,500
Advertising	327	-	327
Audit fees	-	20,900	20,900
Board meetings	159	-	159
Depreciation	1,789	1,789	3,578
Interest	240,859	-	240,859
Legal	17,171	-	17,171
Miscellaneous	10,458	-	10,458
Salaries and benefits	104,575	26,144	130,719
Staff travel	8,504	-	8,504
Supplies	-	1,323	1,323
Vehicle	1,032	1,032	2,064
	<u> </u>	<u> </u>	<u> </u>
Total expenses for 2022	<u>\$ 384,874</u>	<u>\$ 78,688</u>	<u>\$ 463,562</u>

11. RELATED PARTY TRANSACTIONS

Funding

The Committee on Home Missions & Church Extension provided funding to initially establish the Loan Fund and has periodically provided additional funding to the Loan Fund as follows:

1993 (Initial Funding)	\$ 300,000
1998	195,000
2009 (Final Contributions)	41,054

Administrative Fees

As previously stated, Orthodox Presbyterian Church Loan Fund, Inc. was incorporated under the supervision of The Committee on Home Missions & Church Extension of the Orthodox Presbyterian Church. The Loan Fund shares office space and equipment with other committees of The Orthodox Presbyterian Church. An administrative fee of \$27,500 was paid for these services in 2023 and 2022, respectively.

Notes Payable

At December 31, 2023 and 2022, notes payable outstanding include \$1,976,162 and \$1,452,974, respectively, of notes issued to and held by various committees of the OPC which are related parties.

ORTHODOX PRESBYTERIAN CHURCH LOAN FUND, INC.

NOTES TO FINANCIAL STATEMENTS

In addition, \$102,104 and \$100,772 of notes payable were held by related parties including Board members, officers and employees, and families thereof of the Loan Fund at December 31, 2023 and 2022, respectively. Interest paid on the notes held by various committees of the OPC was \$23,189 and \$22,821 for the years ended December 31, 2023 and 2022, respectively. Interest paid on the other related party notes was \$917 and \$752 for the years ended December 31, 2023 and 2022, respectively.

12. RETIREMENT PLAN

The OPC provides a pension plan for its employees and employees of the Loan Fund. Employees may contribute on their own behalf and the Board of Directors may elect to make a discretionary contribution. Plan contributions for Loan Fund employees paid entirely by the Loan Fund were \$8,853 and \$8,352 in 2023 and 2022, respectively.

The plan is exempt as a “church plan” from the requirements of ERISA.

13. SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 11, 2024, which is the date the financial statements were available to be issued.



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