Presbyterian Church (U.S.A.) Investment and Loan Program, Inc.
100 Witherspoon Street, Louisville, Kentucky 40202-1396
1-800-903-PILP (1-800-903-7457) or 502-569-5868
http://pilp.pcusa.org

<u>FLORIDA OFFERING CIRCULAR</u>

$150,000,000 in Fixed and Adjustable Rate Term and Demand Notes

$50,000,000 in Denominational Accounts (See "The Offering" on page 11)

(The Program may issue up to this amount of its investment obligations (the "Notes") throughout the fifty (50) states, the District of Columbia and Puerto Rico during the 12-month period ending April 30, 2021.)

THESE SECURITIES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER CHAPTER 517.051(9), FLORIDA STATUTES. THE PROGRAM IS REGISTERED WITH THE DEPARTMENT OF BANKING AND FINANCE AS AN ISSUER/DEALER. OFFERS AND SALES OF THESE SECURITIES WILL BE MADE ONLY THROUGH REPRESENTATIVES OF THE PROGRAM REGISTERED WITH THE DEPARTMENT OF BANKING AND FINANCE AS ASSOCIATED PERSONS OF THE PROGRAM.

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

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

<u>THIS OFFER IS SUBJECT TO CERTAIN RISK FACTORS DESCRIBED HEREIN BEGINNING ON PAGE 8.</u>

The following investment obligations are offered by the Program under the terms described in "Description of Notes" beginning on page 22 (minimum investment is $500):

<u>Fixed Rate Term Note</u> - A note with an interest rate that remains fixed throughout its term, with available terms of any period from six (6) to sixty (60) months.

<u>Adjustable Rate Term Note</u> - A note with an interest rate that may be adjusted on a monthly basis throughout its term, with available terms of any period from six (6) to sixty (60) months.

<u>Mission Market Fund Note</u> – A demand note with a tiered interest rate (based upon principal balance) that may be adjusted on a monthly basis, and which permits additions of principal and up to three (3) partial withdrawals per month at any time without any penalty or service fee upon written request (which may be required to be provided up to thirty (30) days in advance of any partial withdrawal). Both additions to and partial withdrawals must be made in minimum amounts of $500.

<u>Denominational Accounts</u> – Fixed or adjustable rate demand or term (up to 60 months) investment obligations available only to Church Organizations (as such term is defined on page 6) with interest rates determined by agreement. For a general description, see under heading "Financing and Operational Activities."

For current interest rates, please call the Program at 1-800-903-7457, or visit the Program's Internet website, http://pilp.pcusa.org

Interest rates on all investment obligations, except Denominational Accounts, offered by the Program are established for each type and term according to a procedure set forth under "Description of Notes" beginning on page 22. **The Program reserves the right to change the method by which interest is determined or the frequency with which interest is paid to the Investor or added to the Notes. See "Description of Notes."**

NOTE: Investments offered by the Presbyterian Church (U.S.A.) Investment and Loan Program, Inc. are not bank deposits or obligations and are not insured by the Federal Deposit Insurance Corporation (FDIC), the Securities Investor Protection Corporation (SIPC) or any other federal or state agency.

This Offering Circular is dated May 1, 2020.

The aggregate amount of the Notes being offered may be sold in any one or more of the offered categories.

This offering is not underwritten and no commission or discounts will be paid or provided by the Program in connection with the sale of Notes. The Program will receive 100% of the proceeds from the sale of the Notes. The Program will bear all expenses, including securities registration fees, printing, mailing, accounting fees and attorneys' fees, incurred in this offering which are estimated to be $45,000.

No sinking fund or trust indenture will be used by the Program in conjunction with the issuance of the Notes. Investors must rely solely upon the financial condition of the Program for repayment of the Notes. The Notes are unsecured debts of the Program and are of equal priority with all other current indebtedness of the Program. The Program reserves the right to issue future obligations or obtain a line of credit secured by a first lien on its assets. The Program 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. The term "material," as used in this paragraph, shall mean an amount which exceeds ten percent (10%) of the tangible assets (total assets less intangible assets as defined by U.S. GAAP as hereinafter defined) of the Program. The Notes are non-negotiable and may be assigned only upon the Program's prior written consent.

THE NOTES ARE NOT SAVINGS OR DEPOSIT ACCOUNTS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC), THE SECURITIES INVESTOR PROTECTION CORPORATION (SIPC), ANY STATE BANK OR INSURANCE FUND OR ANY OTHER GOVERNMENTAL AGENCY. THE PAYMENT OF PRINCIPAL AND INTEREST TO AN INVESTOR IN THE NOTES 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 NOTES ARE NOT OBLIGATIONS OF, NOR GUARANTEED BY, THE PRESBYTERIAN CHURCH (U.S.A.), THE GENERAL ASSEMBLY OF THE PRESBYTERIAN CHURCH (U.S.A.) OR ITS RELATED CORPORATIONS, PRESBYTERIAN CHURCH (U.S.A.), A CORPORATION, OR BY ANY CHURCH, SYNOD, PRESBYTERY, INSTITUTION OR AGENCY AFFILIATED WITH THE PRESBYTERIAN CHURCH (U.S.A.) (EXCEPT FOR THE ISSUER).

THE OFFER AND SALE OF THE NOTES IS LIMITED TO: (i) PERSONS (INCLUDING ENTITIES OR ARRANGEMENTS CONTROLLED BY, OWNED BY, OR EXISTING FOR THE BENEFIT OF SUCH PERSONS) WHO, PRIOR TO RECEIPT OF THIS OFFERING CIRCULAR, ARE MEMBERS OF, CONTRIBUTORS TO, OR PARTICIPANTS IN THE PRESBYTERIAN CHURCH (U.S.A.), THE PROGRAM, OR ANY PROGRAM, ACTIVITY OR ORGANIZATION WHICH CONSTITUTES A PART OF THE PRESBYTERIAN CHURCH (U.S.A.) (INCLUDING, BUT NOT LIMITED TO, THE GENERAL ASSEMBLY, SYNODS, PRESBYTERIES, AND CONGREGATIONS OF THE PRESBYTERIAN CHURCH (U.S.A.)), OR IN ANY RELIGIOUS ORGANIZATION THAT HAS A PROGRAMMATIC RELATIONSHIP WITH ANY OF THE FOREGOING, (ii) CONGREGATIONS AND SESSIONS OF CONGREGATIONS AFFILIATED WITH, AND RELIGIOUS ORGANIZATIONS THAT HAVE A PROGRAMMATIC RELATIONSHIP WITH, THE PRESBYTERIAN CHURCH (U.S.A.) (INCLUDING, BUT NOT LIMITED TO, THE GENERAL ASSEMBLY, SYNODS, PRESBYTERIES, AND CONGREGATIONS OF THE PRESBYTERIAN CHURCH (U.S.A.)) OR THE PROGRAM, OR (iii) ANY ANCESTOR, DESCENDANT OR SUCCESSOR IN INTEREST OF PERSONS DESCRIBED IN (i) AND (ii) ABOVE WHEN SUCH ANCESTOR, DESCENDANT OR SUCCESSOR IN INTEREST WOULD ONLY BE RENEWING A NOTE RECEIVED FROM OR ATTRIBUTABLE TO A NOTE RECEIVED FROM SUCH A PERSON.

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

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

THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT WITH THE PROGRAM'S WRITTEN

CONSENT AND AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM.

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.

THE FOREGOING STATEMENTS AND CERTAIN OTHER PORTIONS OF THIS OFFERING CIRCULAR ARE USED BECAUSE STATE LAW REQUIRES SUCH OF ALL ISSUERS OF SECURITIES, AND THE LANGUAGE USED IS GENERALLY SIMILAR TO THAT USED BY ALL ISSUERS.

FORWARD LOOKING STATEMENTS

Investment in the securities to be issued by the Program involves certain risks. Prospective Investors are encouraged to review all the materials contained in this Offering Circular and to consult their own attorneys and financial advisors.

This Offering Circular includes "forward-looking statements" within the meaning of the federal and state securities laws. Statements about the Program and its expected financial position, business and financing plans are forward-looking statements. Forward-looking statements can be identified by, among other things, the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," "seeks," "pro forma," "anticipates," "intends," "projects," or other variations or comparable terminology, or by discussions of strategy or intentions. Although the Program believes that the expectations reflected in its forward-looking statements are reasonable, the Program cannot assure any Investor that the Program's expectations will prove to be correct. Forward-looking statements are necessarily dependent upon assumptions, estimates and data that may be incorrect or imprecise and involve known and unknown risks, uncertainties and other factors. Accordingly, prospective Investors should not consider the Program's forward-looking statements as predictions of future events or circumstances. A number of factors could cause the Program's actual results, performance, achievements or industry results to be materially different from any future results, performance or achievements expressed or implied by the Program's forward-looking statements. These factors include, but are not limited to: changes in economic conditions in general and in the Program's business; changes in prevailing interest rates and the availability of and terms of financing to fund the Program's business; changes in the Program's capital expenditure plans; and other factors discussed in this Offering Circular. Given these uncertainties, prospective Investors should not rely on the Program's forward-looking statements in making an investment decision. The Program disclaims any obligation to update Investors on any factors that may affect the likelihood of realization of the Program's expectations. All written and oral forward-looking statements attributable to the Program, including statements before and after the date of this Offering Circular, are deemed to be supplements to this Offering Circular and are incorporated herein and are expressly qualified by these cautionary statements.

Although the Program believes that the forward-looking statements are reasonable, prospective Investors should not place undue reliance on any forward-looking statements, which speak only as of the date made. Prospective Investors should understand that the factors discussed under "**RISK FACTORS**" could affect the Program's future results and performance. This could cause those results to differ materially from those expressed in the forward-looking statements.

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DEFINITIONS

The terms defined below apply to all portions of this Offering Circular except the Financial Statements and the Notes to Financial Statements, which must be read in the context of the terms separately defined therein.

Adjustable Rate Term Note - See "Description of Notes."

Church Corporation - The Presbyterian Church (U.S.A.), A Corporation, the principal corporation of the General Assembly of PCUSA.

Church Development Activities - The acquisition of sites in conjunction with the construction of facilities or contiguous to an existing facility, construction of a new facility on a site already owned, renovation or expansion of existing facilities, and refinancing or consolidation of existing debt incurred for any of the preceding purposes for qualifying PCUSA congregations, governing bodies, and related theological and educational institutions or ministries to aid development and effectuate the mission of PCUSA.

Church Loan Program - an existing loan program of the Church Corporation funded by endowment funds established to provide loans primarily to congregations, and occasionally to presbyteries, for church development. See "History and Operations."

Church Organizations - Organizations or administrative instrumentalities affiliated and identified with PCUSA, excluding congregations and Sessions of congregations.

Cost of Funds - The weighted average interest rate paid on the outstanding Notes and Denominational Accounts calculated by computing the annualized interest expense on all the outstanding Notes and Denominational Accounts, divided by the average balance of the outstanding Notes and Denominational Accounts payable.

Denominational Accounts *(previously called Depository Accounts)* – Interest bearing, short and intermediate term obligations of the Program held by Church Organizations. See "Financing and Operational Activities."

Fixed Rate Term Note - See "Description of Notes."

Invested Funds - Funds of the Program not immediately needed for operations or Loans and invested as described in the "Financing and Operational Activities" and "Investing Activities" sections.

Investor (or Purchaser) – (i) a person (including entities or arrangements controlled by, owned by, or existing for the benefit of such a person) who purchases Notes who, prior to the receipt of the Offering Circular, is a member of, contributor to, or participant in PCUSA, the Program or any program, activity or organization which constitutes a part of PCUSA (including, but not limited to, the General Assembly, the synods, presbyteries, and congregations of the PCUSA), or in any religious organization that has a programmatic relationship with any of the foregoing, (ii) congregations and sessions of congregations affiliated with, and religious organizations that have a programmatic relationship with, PCUSA (including, but not limited to, the General Assembly, the synods, presbyteries, and congregations of the PCUSA) or the Program, and (iii) any ancestor, descendant or successor in interest of persons described in (i) or (ii) above when such ancestor, descendant or successor in interest would only be renewing a Note received from or attributable to a Note received from such a person.

Loan - Adjustable interest rate loan originated by the Program to qualifying Related Entities for Church Development Activities. See "Lending Activities."

Mission Market Fund Note - See "Description of Notes."

Note - Term or demand unsecured debt obligation, issued by the Program, offered herein. For a further description of the terms of the Notes, see "Description of Notes."

Offering Circular - This disclosure document prepared by the Program.

PCUSA - Presbyterian Church (U.S.A.), a national Protestant religious denomination composed of Reformed Christians who have agreed to conduct their worship and other religious activities in conformity with the PCUSA Constitution.

Program - Presbyterian Church (U.S.A) Investment and Loan Program, Inc.

Purchaser - See "Investor."

Related Entities - The PCUSA congregations, governing bodies, and theological and educational institutions or ministries related to PCUSA.

U.S. GAAP - Generally Accepted Accounting Principles in the United States as established by the Financial Accounting Standards Board (FASB), under the FASB Accounting Standards Codification (ASC).

SUMMARY OF OFFERING

The following is a summary of the Program's offering and contains only selected information. This summary does not contain all of the information that a potential Investor should consider before investing. The information provided in this summary should be read in conjunction with the detailed information contained in this Offering Circular, including the Program's audited financial statements.

1. The Program may issue up to One Hundred Fifty Million Dollars ($150,000,000) of its Notes throughout the fifty (50) states, the District of Columbia and Puerto Rico during the 12-month period ending April 30, 2021. This amount may be issued in any one or more of the types of Notes provided that no more than Ten Million Dollars ($10,000,000) of Notes will be issued to residents of Pennsylvania.

2. The Program is a Pennsylvania nonprofit corporation and is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and is not a "private foundation."

3. The Program offers and sells Notes to Investors to make funds available for Loans for Church Development Activities.

4. Notes offered pursuant to this Offering Circular bear a fixed or variable rate of interest and have maturities ranging from six (6) months to sixty (60) months (except in the case of Mission Market Fund Notes which are demand obligations).

5. Interest payable on Notes is taxable to the Investor, except when such Notes are held in an IRA, in the year in which such interest is paid or credited.

6. At maturity, unless the Investor elects to redeem a Note, such Note will automatically renew for a term equal to the prior term at the then current interest rate for such Note.

7. The Program's loan portfolio consists of Loans made to congregations, governing bodies, and other qualifying Related Entities. The ability of each borrowing congregation to repay its Loan generally depends upon the contributions received from its members. The number of members of each congregation and its revenue is likely to fluctuate. The Program must rely on the borrower's or guarantor's continued financial viability for repayment of Loans. If a borrower or guarantor experiences a decrease in contributions or revenues, payments on that Loan may be adversely affected. Generally, Presbyteries, and in some cases Synods, are either co-obligors or guarantors on Loans made to particular churches and other qualifying Related Entities.

8. The Program will use the proceeds from the sale of its Notes to carry on Church Development Activities by making Loans to congregations, governing bodies, and other Related Entities. Any Note proceeds not used as described above will be invested pursuant to the Program's investment policies. Any such Invested Funds invested in readily marketable securities are subject to various market risks which may result in losses if market values of investments decline.

9. Below is a summary in tabular form of certain selected financial data with respect to the Program's operations for its most recent fiscal year. This data has been compiled by management from the Program's audited financial statements, and it should be read in conjunction with the most recent audited financial statements of the Program which begin on page 33.

Description of Selected Financial Data of the Program		12/31/2019
Cash and cash equivalents	$	7,688,468
Loans, net	$	94,001,702
Unsecured Loans receivable	$	111,253
As a percentage of Loans, net		0.12%
Loan delinquencies 90 days or more past due as a percentage of Loans, net		0.00%
Investments	$	9,549,066
Total Assets	$	111,496,463
Notes payable to Investors	$	52,877,280
Note redemptions for the year then ended	$	7,234,377
Denominational (Depository) Accounts payable	$	43,239,413
Net assets without donor restrictions	$	14,562,271
Change in net assets without donor restrictions for the year then ended	$	1,320,411

RISK FACTORS

1. **Unsecured and Uninsured General Obligations.** The Notes are general obligations of the Program, a nonprofit corporation formed July 31, 1995. Investors are dependent solely upon the financial condition of the Program for repayment of principal and interest on the Notes. The Notes are unsecured and are not insured.

2. **No Sinking Fund or Trust Indenture.** No sinking fund or trust indenture has been or will be established. The absence of a sinking fund and trust indenture may adversely affect the Program's ability to repay the Notes.

3. **Senior Secured Indebtedness.** The Program currently has not issued any secured obligations and, therefore, the Notes are of equal priority with all other current indebtedness of the Program. However, the Program reserves the right to issue future obligations, or obtain a line of credit, secured by a first lien on its assets in an amount not to exceed ten percent (10%) of the tangible assets of the Program (total assets less intangible assets as defined by U.S. GAAP). If the Program does incur any senior secured indebtedness, then repayment of such indebtedness will have priority in the Program's assets over all other unsecured creditors of the Program, including Investors. The Program currently has a $3,000,000 unsecured line of credit from PNC Bank, N.A., and, as of December 31, 2019, the Program had no outstanding balance on the line of credit.

4. **No Public Market for Notes.** No public market exists for the Notes and none will develop. Therefore, Investors should consider the purchase of a Note as an investment for the full term of the Note.

5. **Liquidity.** It is the Program's practice to maintain at all times an aggregate operating and reserve liquidity of cash, cash equivalents, readily marketable securities and immediately available funds through a line of credit, equal to at least 8% of the Program's principal balance of all outstanding Notes and Denominational Accounts. In 2019 the Program maintained, and plans to continue to maintain in 2020, cash and Invested Funds in an amount equal to or in excess of this practice. There can be no assurance, however, that such practice will be continued in the future. Any such Invested Funds invested in readily marketable securities are subject to various market risks which may result in losses if market values of investments decline.

6. **No Guarantee of Future Offerings.** There can be no assurance that the Program will continue to offer and sell Notes in the future. See "Financing and Operational Activities."

7. **Tax Consequences.** Investors will not receive a charitable deduction upon the purchase of a Note, and interest paid or payable on the Notes will be taxable as ordinary income to an Investor regardless of whether the interest is paid directly to the Investor or retained and compounded. If interest paid is below the market rate of

interest, the Internal Revenue Service may impute income up to the market interest rate level. The Internal Revenue Service may exempt loans, including gift loans to charitable organizations, if the amount does not exceed $250,000. See "Tax Aspects."

8. **Loan Collection Risks.** The Program's loan portfolio consists of Loans made to congregations, governing bodies, and other qualifying Related Entities. The ability of each borrowing congregation to repay its Loan generally depends upon the contributions received from its members. The number of members of each congregation and its revenue is likely to fluctuate. The Program must rely on the borrower's or guarantor's continued financial viability for repayment of Loans. If a borrower or guarantor experiences a decrease in contributions or revenues, payments on that Loan may be adversely affected. Contributions may decline for a variety of reasons including, but not limited to, the impact of a softening economy, increased job losses or other economic difficulties encountered by church members, and/or a decline in the business prospects of donors. Generally, presbyteries, and in some cases synods, are either co-obligors or guarantors on Loans made to particular churches and other qualifying Related Entities. There is no assurance that any such guarantees will be sufficient to repay the amounts owed by the churches to the Program under the Loans. See "Lending Activities."

9. **Special Purpose of Borrower Properties.** Although the Loans made by the Program are primarily secured by a first mortgage on the borrower's property with loan-to-value ratios not exceeding 80%, typically such property is improved for church, charitable or educational uses and may have a lower fair market value than general purpose properties. As a result, there is no assurance that such properties can be sold for an amount that will be sufficient to repay the amounts owed by borrowers to the Program under the Loans.

10. **Loan Policies.** The relationship of the Program to its borrowers and Loan delinquencies cannot be compared to that of a normal commercial lender. Recognizing the relationship to its borrowers, the Program's loan eligibility and approval criteria may be more flexible than might be applied by a normal commercial lender. In addition, in view of the relationship to its borrowers, the Program may be willing to renegotiate the terms of Loans and, accordingly, the timing and amount of collections on such Loans may be modified. See "Lending Activities."

11. **Future Changes in Federal or State Laws.** Changes in federal laws or the laws of the various states in which the Program offers its Notes may make it more difficult or costly for the Program to offer and sell Notes in the future. The failure to obtain additional authority in the future for continuation of the sale of new Notes could adversely impact the ability of the Program to repay its maturing Notes. Reinvestments in Notes can only be made if there is a currently effective qualification, registration or exemption from registration in the applicable states for the sale of the Notes, which may or may not be granted.

12. **Note Repayment Ability.** The Program uses principal and interest payments on Loans and earnings from Invested Funds, and may use proceeds from the sale of new Notes and funds held under Denominational Accounts on a cash-flow basis, to pay interest and principal on Notes (see "Use of Proceeds" on page 14). In the years 2019, 2018, and 2017 no proceeds from sales of new Notes were required to fund actual Note redemptions. Future market conditions could affect the Program's ability to repay Notes. For example, if yields on Invested Funds fall below Note interest rates, if demand for new Notes decreases significantly or ceases altogether, if there is a significant decrease in the renewal rate of maturing Notes resulting in a significant increase in redemptions, or if a substantial percentage of borrowers defaults on Loan payments, the Program's resulting financial condition could adversely affect its ability to repay Notes. Nationally the percentage of maturing Notes (excluding demand obligations) that renewed or were reinvested in each of the past three years was 82.1% in 2019, 77.0% in 2018, and 83.7% in 2017. As of December 31, 2019, the amounts of Notes and Denominational Accounts (excluding demand obligations) due to mature in 2020 were $16,870,671 and $22,480,490, respectively. As of December 31, 2019, the Program had $17,237,534 in cash and Invested Funds, which was equal to 102% of Notes due to mature in 2020 (excluding demand obligations) and 33% of all outstanding Notes payable.

13. **Geographic Concentration of Loans.** There are risks related to geographic concentration of Loans to borrowers within a limited region, such that changes in economic conditions of that region could affect the ability of the borrowers, as a group, to repay the Loans.

14. **Material Obligations to a Single Investor.** A portion of the Program's outstanding Notes payable, as of December 31, 2019, was comprised of an investment from a single investor with an outstanding amount totaling $6,159,038. The investment was split between (i) a two-year Fixed Rate Term Note with an outstanding amount of $2,984,694 as of December 31, 2019, and which matures July 25, 2021 and (ii) a three-year Fixed Rate Term Note

with an outstanding amount of $3,174,344 as of December 31, 2019, which matures July 25, 2022. There is no guarantee that these Term Notes will be renewed at maturity or will not be withdrawn.

15. **Future Material Loan Losses.** The Program's allowances for Loan losses is maintained at a level considered adequate to provide for probable incurred credit losses. As of December 31, 2019, the aggregate allowance for Loan losses was $600,000. There is a risk that Loan losses could be greater than the Program's present allowance for Loan losses which, if significantly greater than anticipated, could adversely affect the Program's financial condition.

16. **Competition from Other Lenders.** The availability and cost of loans offered by banks, other corporations, and loan programs may affect overall demand for Loans from the Program. Any decrease in the demand for Loans could adversely affect the Program's financial condition.

17. **Other Investment Opportunities; Low Rates and Relative Risks.** Other investment opportunities may yield a higher rate of return with less risk than the Notes. This may adversely affect sales of the Notes. Risks of investment in the Notes may be greater than implied by relatively low interest rates on the Notes.

18. **Interest Rate Fluctuation.** Interest rates will fluctuate in the future. Investors should be aware that if interest rates rise or fall, the Program is not obligated to redeem any Note prior to its maturity. Further, if interest rates fall, in order to reduce future interest obligations, the Program may exercise its right to call Certificates for redemption (see Risk Factor 23 below).

19. **Interest Rate on Automatic Rollover or Reinvestment at Maturity.** Upon maturity of a Note, if an Investor does not choose to redeem the Note or to reinvest the amount due thereunder into a new Note, then it will be automatically renewed at the current interest rate in effect on the date of maturity for such type and term of Note. If the Program is then offering a separate interest rate for investments of only new funds, that separate interest rate will not apply to a rollover or reinvestment, and only the rate then applicable to rollovers or reinvestments not involving new funds will apply. If the then current interest rate is less than the interest rate on the Note as in effect prior to maturity, the Investor will receive a lower interest rate return on the renewed Note.

20. **Interest Rate Policy and Payment Change.** The Program reserves the right to change the method by which interest is determined or the frequency with which interest is paid to the Investor or added to the Notes. If the Program exercises its right to change the method by which interest is calculated or the frequency in which interest is paid on existing Notes, the holders of such Notes would receive written notification describing the changes and the method of determining rates of such Notes. If upon receiving the notice, Investors wish to make a complete withdrawal, they may do so (without penalty) within 30 days of receiving the notice. For the last payment of interest only, they may also be paid interest at the rates in effect for these Notes during the preceding month, provided they notify the Program within this thirty day period.

21. **Program Solely Liable on Notes.** The debts and liabilities of the Program, including the Notes, are independent of the financial structure of PCUSA or the Church Corporation or any Related Entities. Therefore, Investors may not rely upon PCUSA, the General Assembly or its related corporations, the Church Corporation, or any church, synod, presbytery, institution or agency affiliated with PCUSA (except for the Program) for payment of the Notes when due. The Program is a legal corporation, separate and distinct from PCUSA and its other affiliated corporations and, therefore, is not liable for the claims made against PCUSA, although it is possible that claims may be made against the Program in relation to matters associated with PCUSA or related units or entities.

22. **Early Withdrawal Penalties and Excess Monthly Withdrawal Service Fee.** The Program is not required to redeem any Fixed or Adjustable Rate Term Note prior to its maturity date. In the event the Program agrees, in its sole discretion, to redeem a Fixed or Adjustable Rate Term Note prior to its maturity, early withdrawal penalties may be applied. In the case of Mission Market Fund Notes, excess monthly withdrawals beyond three (3) per month are subject to a service fee of $50.00 per excess monthly withdrawal. See "Withdrawal and Early Withdrawal Penalties" on page 25 and "Excess Monthly Withdrawal Service Fee (Mission Market Fund Notes Only)" on page 25.

23. **Ability to Call Notes.** The Program has the right to call Notes for redemption at any time upon sixty (60) days written notice. In such event, interest will be paid to the date of redemption.

24. **Limitation on Transferability.** The Notes are non-negotiable and may be assigned only upon the Program's written consent.

25. **Unclaimed Property.** If in the course of a seven (7) year period the Program receives more than six (6) returned statements or other pieces of mail pertaining to a Note that the Program has sent to the Investor, then the Note will be declared inactive and the Program shall cease sending further mailings or interest payments to the Investor. However, the Note will continue to accrue interest until it is redeemed or until it is disposed of by the Program pursuant to applicable state unclaimed property laws.

26. **Environmental Risks on Collateral.** There is potential environmental liability associated with the collateral securing the Loans made by the Program. The Program generally requires a borrower to complete an Environmental Checklist supplied by the Program or to furnish a Phase I Environmental Report. In the event that environmental pollution or other contamination is found on or near property securing a Loan, the Program could, in some cases, face environmental liability or the security for the Loan could be impaired. Currently, the Program's policies generally require that either such conditions be remedied or the Loan will not be made. In addition, changes to environmental regulations after a Loan is made could require a borrower to incur significant unanticipated expenses to comply with such regulations which could adversely affect the borrower's ability to repay the Loan.

27. **Construction Risks.** Many of the Loans made by the Program are used by borrowers for construction of new facilities or improvements to existing facilities. Consequently, such Loans will be subject to usual construction-related risks. Such risks include defaults or bankruptcies of contractors or subcontractors, construction delays (due to events such as weather conditions, strikes, shortage of materials, acts of nature, regulatory delays, etc.), increased and unexpected costs, adverse effects on adjacent facilities and other operations, and other factors and contingencies unknown to or beyond the control of the borrower or other parties. In the event that construction is delayed or prevented, or if costs for construction increase substantially, the borrower's ability to repay a Loan could be adversely affected.

28. **Coronavirus.** In December 2019, a novel strain of Coronavirus (COVID-19) was reported in Wuhan, China. The World Health Organization declared the outbreak to constitute a "Public Health Emergency of International Concern." By March 2020, the COVID-19 outbreak reached every state in the United States. Public and governmental reaction to the outbreak has, among other things, resulted in the limiting of mass gathering of individuals, the closing of retail locations, and the disruption of supply chains, production and sales across a range of industries. Churches and camp and conference centers, which are the Program's primary borrowing entities, have also been affected. The extent of the impact of the COVID-19 outbreak on the Program's operational and financial performance will depend on certain developments, including the duration of the outbreak, governmental reaction and mandates, and the impact on the Program's investors, borrowers, and employees, all of which are uncertain and cannot be predicted.

THE OFFERING

The Program may issue up to One Hundred Fifty Million Dollars ($150,000,000) of its Notes throughout the fifty (50) states, the District of Columbia and Puerto Rico during the 12-month period ending April 30, 2021. This amount may be issued in any one or more of the types of Notes provided that no more than Ten Million Dollars ($10,000,000) of Notes will be issued to residents of Pennsylvania.

HISTORY AND OPERATIONS

Presbyterian Church (U.S.A.) ("PCUSA")

PCUSA was formed by two historic religious denominations: the Presbyterian Church in the United States ("PCUS") and the United Presbyterian Church in the United States of America ("UPCUSA"). The church split into these two denominations during the Civil War and reunited in 1983. The UPCUSA was itself formed by a merger in 1958 of the Presbyterian Church in the United States of America and the United Presbyterian Church of North America. The United Presbyterian Church of North America was formed in 1858, when the Associate Reformed Presbyterian Church and the Associate Presbyterian Church united.

Ecumenical in outlook, PCUSA traces its roots to the Protestant Reformation, John Calvin and John Knox. The Reformed Tradition emphasizes the "majesty, holiness, and providence of God who creates, sustains, rules, and redeems the world in freedom of sovereign righteousness and love." [Form of Government 2.0500a] Today, PCUSA's membership is drawn from diverse cultures and speaks multiple languages in worship, education and service.

PCUSA is an unincorporated body of Reformed Christians who have agreed to conduct their worship and other religious activities in conformity with the then current version of the Constitution of the Presbyterian Church (U.S.A.), which contains, among other things, in the Book of Order, the Form of Government setting forth a detailed formal structure of PCUSA. Central to the organizational structure of PCUSA is the concept of governing bodies, of which there are four types; sessions of particular churches (the first particular churches were established in Maryland in 1683), presbyteries (the first of which was established in Philadelphia in 1706), synods (the first of which was established in Philadelphia in 1716), and the General Assembly (which first met in Philadelphia in 1789).

In the local setting, there are approximately 9,161 particular churches throughout the United States, the District of Columbia and Puerto Rico, most of which have formed not-for-profit corporations.

The presbytery is a corporate expression of PCUSA consisting of all the churches and ministers of the Word and Sacrament within a certain district. A presbytery is responsible for the mission and government of PCUSA throughout its geographical district. Currently, there are a total of 170 presbyteries, which includes four presbyteries encompassing nongeographical districts.

In the regional setting, there are 16 synods. The synod is the intermediate governmental unit responsible for the mission of the church throughout its region.

In the national setting, PCUSA's highest governing body is the General Assembly, a representative body of PCUSA which met annually from 1789 to 2004. In 2004, the General Assembly began meeting biennially. Any member of PCUSA may attend a meeting of the General Assembly, but only the commissioners elected by the presbyteries may vote upon the issues presented. The General Assembly receives reports on the work of the denomination and considers issues concerning the denomination and its religious purposes and objectives.

The commissioners of the General Assembly elect or confirm the corporate members of various recognized instrumentalities and the directors of the established instrumentalities at the General Assembly level.

Under the Form of Government, the General Assembly elects a Presbyterian Mission Agency Board (formerly known as the General Assembly Mission Council and, prior to that, as the General Assembly Council), which is authorized to act for the General Assembly (on specific matters assigned by the General Assembly) between meetings of the General Assembly in a manner consistent with previously enacted General Assembly policies. The staff of the Presbyterian Mission Agency is headed by the Executive Director of the Presbyterian Mission Agency. To carry out the mission initiatives of PCUSA at the General Assembly level, the Presbyterian Mission Agency manages Communications, Mission Engagement and Support, and four (4) ministry areas. One of these ministry areas is Racial Equity and Women's Intercultural Ministries, within which is housed the Church Loan Program (loans funded from the endowment funds). PCUSA was in the forefront of a church loan program which arose from a call to members as early as 1843 to establish endowment funds "to help enfeebled churches ...." The endowment fund income was added to revolving loan funds which were augmented by interest paid by churches as they paid back their loans. In more recent years the interest income and other revenue sources have been used to also provide grants, and the principal repayment continues to be used to restore the revolving loan funds to provide further loans. Endowment funds are held by the Presbyterian Church (U.S.A.) Foundation. Prior to October 1, 2018, the conduit for loan disbursement was through the Church Corporation and loan approval through the Mission Development Resources Committee of the Presbyterian Mission Agency Board.

The corporation serving the Church Loan Program, prior to October 1, 2018, was the Church Corporation. The Church Corporation is the principal corporation of the General Assembly. It is a Pennsylvania nonprofit corporation, founded in 1799, and incorporated in 1986.

In 1995, it was determined that the Church Development Activities of PCUSA should be extended and that this extension should be operated through a separate corporation. This determination resulted in the formation of the Program. The Church Corporation is the sole nonvoting member of the Program.

In 2018, the Presbyterian Mission Agency Board approved the transfer of the Church Loan Program to the Program. This includes, but is not limited to, board oversight, authority and governance, policy setting, final loan and building grant approval and loan origination and servicing. As of October 1, 2018, the Program's expenses for the Church Loan Program a/k/a the endowment funded loan program are being directly reimbursed by the Presbyterian Church (U.S.A.) Foundation ("Foundation"), where the endowment funds are held. This arrangement is outlined in a memorandum of understanding between the Foundation and the Program.

Presbyterian Church (U.S.A.) Investment and Loan Program, Inc.

The name of the issuer is Presbyterian Church (U.S.A.) Investment and Loan Program, Inc. Its principal address is 100 Witherspoon Street, Louisville, Kentucky 40202. The creation of the Program was authorized by the 207th General Assembly of PCUSA in 1995. It was incorporated in Pennsylvania on July 31, 1995, as a nonprofit corporation primarily to augment the activities of church development of PCUSA. Whereas the existing Church Loan Program primarily uses endowed funds to make loans, the Program was incorporated to obtain funds for Loans through the issuance of Notes. The Program is exempt under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), from taxation under Subtitle A thereof. It is not a "private foundation" under Section 509 of the Code, and is organized and operated exclusively for religious, educational, benevolent and charitable purposes. No part of the net earnings of the Program inures to the benefit of any person or individual. The Program, as a nonprofit corporation, does not have any shareholders. Its sole member, which is nonvoting, is the Church Corporation.

The management affairs of the Program are conducted by a fifteen member Board of Directors. The day-to-day operations of the Program are carried out under supervision of the President who is the chief executive officer of the Program. Although the management and operations of the Program and its Board of Directors are independent of the Church Corporation, the work and mission of the Program is affiliated with PCUSA and the Church Loan Program.

In January 1996, the Program was initially funded with a $4,000,000 grant from the Church Corporation, and the Program purchased a portfolio of loans totaling $4,355,207 (as of January 31, 1996) from the Church Corporation in exchange for a note payable to the Church Corporation. (These loans have since been returned and the note payable to the Church Corporation has since been cancelled.)

The Program accepts Denominational Accounts from Church Organizations as a further source of funds. In addition, the Program issues Notes to obtain funds to carry on Church Development Activities. See "Financing and Operational Activities."

The Program is authorized, in furtherance of its corporate purposes, to provide a variety of services to PCUSA congregations, governing bodies (including sessions of congregations), related theological and educational institutions or ministries. The Program is engaged primarily in assisting congregations, governing bodies and theological and educational institutions or ministries related to PCUSA in the United States, the District of Columbia and Puerto Rico in planning and financing their capital expansion projects.

The Program provides the following principal services to PCUSA, its governing bodies, congregations and related institutions:

(a) The issuance of certificates, notes, or any other financial instruments approved by its Board of Directors in order to raise funds for the mission of PCUSA;

(b) The establishment of underwriting standards and loan criteria and the lending of funds, based upon those standards and criteria, to qualifying Related Entities to enable them to acquire or improve real property or to refinance debt previously incurred for such acquisition or improvement;

(c) The training and orientation of volunteers, committees, employees, and others within synods, presbyteries, and congregations who have responsibilities related to the work of the Program;

(d) Accounting and reporting with respect to all of the foregoing; and

(e) Such other mission, finance, and related services as the General Assembly or the Presbyterian Mission Agency may direct or approve.

As of October 1, 2018, the Church Loan Program is fully integrated into the Program. The endowment funds used for the Church Loan Program are held at the Foundation. A memorandum of understanding outlines the relationship and responsibilities of the Program and the Foundation as they relate to the Church Loan Program. This structure streamlined the operations and offered borrowers a more simplified loan process.

USE OF PROCEEDS

The Program shall use the proceeds from the sale of its Notes to carry on Church Development Activities as follows:

1. Loans will be made to congregations, governing bodies, and other Related Entities;

2. Any Note proceeds not used as described above will be invested pursuant to the Program's investment policies. See "Investing Activities";

3. It is anticipated that all operating expenses will be charged against the Program's net assets without donor restrictions and not against Note proceeds, although the cash flow from Note proceeds may, in fact, be used for operating expenses to the extent that cash flow from other sources is insufficient.

4. It is anticipated that all interest and principal due on Notes will be charged against the Program's assets exclusive of new Note proceeds, although the cash flow from new Note proceeds may, in fact, be used to repay interest and principal due on Notes to the extent that cash flow from other sources is insufficient.

The amount of proceeds actually used for each of these purposes will vary depending upon a number of factors, including the amount of Notes sold to new Investors, the amount of Notes redeemed or renewed at any given time by existing Investors, the demand for new Loans, and the amount of scheduled payments and prepayments received on outstanding Loans. The Program anticipates that its operating expenses will represent less than 1.7% of the aggregate offering amount (based on the Program's 2020 budget) and that new Note proceeds will not be needed (except on a "cash flow" basis) for operating expenses or to repay interest and principal due on Notes. Accordingly, the Program anticipates that new Note proceeds will be used for the purpose of making Loans, with surplus funds being invested in accordance with the Program's investment policies. However, there is no guarantee that the anticipated results will occur.

DESCRIPTION OF PROPERTY

The Program does not own any real estate or real estate improvements. The Program leases its offices and substantially all of its furniture from the Church Corporation. The Program pays rent to the Church Corporation for the use of the office area devoted to the operations of the Program. The Program paid the Church Corporation $66,969 in 2019, $65,350 in 2018, and $63,447 in 2017 for office space. See "Management Services."

FINANCING AND OPERATIONAL ACTIVITIES

The Program's means of generating funds for Church Development Activities is through the sale of Notes, acceptance of Denominational Accounts, earnings from Invested Funds and principal and interest payments on Loans.

On January 31, 1996, the Program was initially funded through a $4,000,000 grant from the Church Corporation. The Church Corporation made an additional $1,000,000 capital contribution in February 1999.

In addition to the offer and sale of Notes to Investors, the Program accepts Denominational Accounts in which Church Organizations may place funds with the Program, in minimum amounts of five hundred dollars ($500), for a term of six months to five years, or on demand, earning an adjustable or fixed rate of interest. Like the Program's Notes, Denominational Accounts are general obligations of the Program, are unsecured and not insured, and are of equal priority with all other current indebtedness of the Program including Notes. The interest rate on the Denominational Accounts will be adjusted pursuant to the policies of the Program as they may be adopted from time to time by the Program's Board of Directors. The Program may terminate any Denominational Account upon sixty (60) days written notice to the Church Organization.

The proceeds from the Denominational Accounts will be utilized in the same manner as proceeds from the sale of Notes. The proceeds may be used to fund new Loans, or if the proceeds are not necessary to fund new Loans, the proceeds may be invested as Invested Funds. It is expected that proceeds will be used to meet operating expenses, or to pay principal and interest payments on Notes and Denominational Accounts, on a cash-flow basis only in a manner similar to that described for Notes in "Use of Proceeds" on page 14.

As of December 31, 2019, the Program had a $3,000,000 unsecured line of credit from PNC Bank, N.A. and, as of December 31, 2019, the Program had no outstanding balance on the line of credit.

Outstanding Notes and Denominational Accounts Payable

As of December 31, 2019, the Program had 2,332 Notes outstanding totaling $52,877,280. The amount of Note proceeds and redemptions for the year ended December 31, 2019, are as follows:

		2019
Proceeds from issuance of Notes payable	$	6,593,598
Investment Interest Compounded to Notes payable	$	614,358
Payment (redemption) of Notes payable	$	7,234,377

The Notes payable held by the Program at December 31, 2019, mature as follows:

Demand	$	9,557,627
2020		16,870,671
2021		12,732,552
2022		8,965,262
2023		3,032,789
2024		1,718,378

A portion of the Program's outstanding Notes payable, as of December 31, 2019, was comprised of an investment from a single investor with an outstanding amount totaling $6,159,038. The investment was split between (i) a two-year Fixed Rate Term Note with an outstanding amount of $2,984,694 as of December 31, 2019, and which matures July 25, 2021 and (ii) a three-year Fixed Rate Term Note with an outstanding amount of $3,174,344 as of December 31, 2019, which matures July 25, 2022. There is no guarantee that these Term Notes will be renewed at maturity or will not be withdrawn.

Also, as of December 31, 2019, the Program had 223 Denominational Accounts outstanding totaling $43,239,413. The amount of Denominational Account proceeds and redemptions for the year ended December 31, 2019, are as follows:

		2019
Proceeds from Denominational Accounts payable	$	5,759,200
Investment Interest Compounded to Denominational Accounts Payable	$	329,204
Payment (redemption) of Denominational Accounts payable	$	2,911,840

The Denominational Accounts held by the Program at December 31, 2019, mature as follows:

Demand	$ 6,115,258
2020	22,480,490
2021	9,494,836
2022	2,484,411
2023	1,243,785
2024	1,420,634

For the years 2018 and 2019, an average total of $20,445,867 in Denominational Accounts were due to mature (excluding demand obligations). Of such average total, an average of $2,037,170 in Denominational Accounts were redeemed, while an average of $18,408,697 in Denominational Accounts were renewed or reinvested (before adding compounded interest not withdrawn to the renewed amounts). Of the total Denominational Accounts maturing in 2020, a total of $2,583,506 is payable to the Church Corporation and $8,600,000 is payable to the Presbyterian Church (U.S.A.) Foundation, and both the Church Corporation and the Presbyterian Church (U.S.A.) Foundation are expected to renew their Denominational Accounts.

As of December 31, 2019, the Program's outstanding debt obligations, including compounded interest, are summarized as follows:

Notes payable to Investors	$ 52,877,280
Denominational Accounts payable	$ 43,239,413

Outstanding Loans Receivable

As of December 31, 2019, the Program had Loans with an outstanding balance totaling $94,601,702. The contractual Loan maturities in each of the next five (5) years and the aggregate thereafter are as follows:

2020	$ 55,938
2021	79,666
2022	284,347
2023	579,059
2024	1,355,427
2025 and thereafter	92,247,265
Total	$ 94,601,702

The North American Securities Administrators Association Statement of Policy Regarding Church Extension Funds requires that a church extension fund, such as the Program, should limit the amount of loans that are not secured by real or personal property or guaranteed by third parties to no more than ten percent (10%) of its outstanding loans. The Program's underwriting guidelines currently provide a more stringent standard and specify that the amount of unsecured Loans may not at any time exceed five percent (5%) of the total balance of its outstanding Loans. As of December 31, 2019, there were three (3) Loans that were unsecured with an outstanding principal balance of $111,253 (representing 0.12% of the total Loans outstanding, net of allowance for Loan losses).

LENDING ACTIVITIES

Loans will be made to qualifying Related Entities for land purchase contiguous to an existing facility, land purchase for development generally within six months, building acquisition, expansion, construction, rehabilitation and refinancing of debt previously incurred for such purposes. All Loans are conditional upon the borrower's continuing relationship with PCUSA. A Loan may be made in conjunction with local sources of funds including, but not limited to, Loans made in participation with other lenders. In addition to Loans made to congregations, presbyteries, synods, and the General Assembly, Loans may also be made to other qualifying Related Entities.

The Program's underwriting guidelines have been established and may be changed only by the Program's Board of Directors. As of the date of this Offering Circular, the Program's underwriting guidelines are as described below. The Program's underwriting guidelines generally require that Loans be secured by a first mortgage or deed of trust on the property of the borrowers and/or by a pledge of Notes and/or Denominational Accounts in an amount at all times equal to or exceeding the outstanding Loan principal balance. When Notes or Denominational Accounts are pledged to secure a Loan, the underwriting guidelines require that the Program's security interest in such pledged assets be perfected pursuant to applicable state laws. At least ninety (90%) of the Program's outstanding loans will be secured by real or personal property. The underwriting guidelines also generally require presbyteries to either execute promissory notes for particular borrowers as an obligor or execute a guarantee agreement as guarantor for loans to borrowers in their jurisdictions. Any extension, renewal or modification of a Loan will be underwritten according to policies applicable at the time of extension, renewal or modification of the Loan. The Program's underwriting guidelines further generally require all borrowers to submit a financial plan for Loan repayment including source of funds, repayment schedules, and cash flow projections. Under the Program's underwriting guidelines, all borrowers are expected to have a minimum of twenty percent (20%) equity in the property being mortgaged.

The Program's underwriting guidelines also generally require borrowers to submit, at minimum, the following:

1. A completed Loan application;

2. Financial statements for the borrower's three most recent years, along with a list of borrower's cash and liquid investments not disclosed in financial statements;

3. A copy of the borrower's operating budget for the current year;

4. Internal statements showing year-to-date expenditures against current budget;

5. The next year's proposed budget, if available;

6. A proposed plan for repayment;

7. Certified copies of the borrower's governing documents and, where applicable, a Certificate of Good Standing.

8. If the Loan is to be secured, in whole or in part, by a mortgage or deed of trust on real property:

    a. A set of architectural drawings, if applicable;
    b. An appraised value of any property being purchased or a completed Appraisal Checklist supplied by the Program;
    c. An Environmental Checklist supplied by the Program or a Phase I Environmental Report;
    d. Copies of construction contracts between the borrower and contractors (if any);
    e. Copies of payment and performance bonds in connection with construction contracts;
    f. Preliminary title insurance commitment from a title insurance company, along with updates to such commitment as necessary, or a current abstract of title if title insurance is unavailable;
    g. A current property survey, if required to lift survey exceptions to title insurance;
    h. Evidence of zoning compliance, if applicable; and
    i. Copies of soil tests (if required for building permit).

The Program may, on an exception basis, waive one or more of these requirements if the Program determines that doing so will not materially increase the risk associated with the particular Loan.

In addition, in the case of Loans secured, in whole or in part, by a mortgage or deed of trust on real property, the Program's underwriting guidelines generally require borrowers to maintain hazard and, if applicable, builder's risk insurance in an amount at least equal to the Loan amount. The Program must be named as an additional insured and loss payee/mortgagee on any such policy of insurance during the term of a Loan. Also, the underwriting guidelines generally require property title insurance to be obtained where it is available.

The terms and availability of Loans to be made by the Program have been established and are revised periodically by the Program's Board of Directors. Loans are written at an interest rate, determined under the policies of the Program, which adjusts at least every three (3) years and is based on the Program's then current Cost of Funds. Interest rates of Loans are generally based on the Program's then current Cost of Funds plus a margin that is generally, but can be greater or smaller than, 3% per annum. Generally, the margin is an addition of at least 2.5% per annum. The Program reserves the right to offer differing interest rates for Loans with different periods of interest rate adjustments (*i.e.*, a two-year adjustable rate Loan versus a three-year adjustable rate Loan). Presently, on Loans where the loan commitment was issued prior to August 15, 2008, Loans originated for $1,000,000 or less will have the interest rate adjusted biennially, and Loans originated for more than $1,000,000 will have the interest rate adjusted annually. On Loans where the loan commitment was issued on or after August 15, 2008, the interest rate will be adjusted every three (3) years. Loans for capital construction may be at a fixed or adjustable rate and may carry an interest rate up to one-half of one percent (1/2%) per annum higher during the construction phase than the permanent Loan rate. Loans will generally be written with monthly payments based on up to a twenty (20) year amortization period, but may be written with monthly payments based on an amortization period ranging from five (5) years to twenty-five (25) years. A penalty will apply to late payments.

Supporting Investment Requirement

The Program generally provides a Loan commitment to borrowers in which a base interest rate on the Loan is specified. The borrower is generally required, under the underwriting guidelines, to have investments with the Program, designated for that particular borrower, in an amount equal to the lesser of $300,000 per Loan or twenty percent (20%) of the requested Loan amount prior to the Loan closing date, and throughout the construction phase, to obtain the Program's base interest rate. During the permanent phase of a Loan, the borrower is generally required to have investments with the Program, designated for that particular borrower, in an amount equal to the lesser of $300,000 per Loan or twenty percent (20%) of the outstanding Loan balance. In any month in which a borrower does not have designated for its account an amount of investment in securities of the Program equal to at least the lesser of $300,000 per Loan or twenty percent (20%) of the outstanding Loan balance (or of the full committed Loan amount during the construction phase) of such borrower or, in the case of new church development, the required minimum investment level for new church development, the interest rate for that month will be increased by up to one percent (1%) per annum over the base interest rate charged for such Loan. However, with respect to new church development, in order to obtain the Program's base interest rate, the underwriting guidelines require members of the borrowing congregation or other Presbyterian persons or entities to invest with the Program (and designate for the borrowing congregation's Loan) an amount equal to five percent (5%) of the Loan commitment prior to closing, ten percent (10%) of the outstanding Loan balance (or of the full committed Loan amount during the construction phase) by the end of the first year of the term of the Loan, fifteen percent (15%) of the outstanding Loan balance by the end of the second year, and twenty percent (20%) of the outstanding Loan balance by the end of the third year and each year thereafter. In any month in which these levels are not maintained, the interest rate for such month will increase by up to one percent (1%).

Rebate Policy

For each calendar year, borrowers are effectively given a reduction in the interest rate charged on any Loan, in the form of a rebate of a portion of interest paid for such year, with respect to any month in which investments in Notes and Denominational Accounts designated for such borrower's Loan, as determined by the Program (such designated investments hereinafter referred to as "Borrower Investments"), reach certain levels according to the following schedule:

i) In any month, if Borrower Investments total, for the entire month, at least thirty-five percent (35%), but less than fifty percent (50%), of the outstanding principal balance of the borrower's Loan, the interest rate on the borrower's Loan is effectively reduced for that month by one-quarter of one percent (1/4%);

ii) In any month, if Borrower Investments total, for the entire month, at least fifty percent (50%), but less than seventy-five percent (75%), of the outstanding principal balance of the borrower's Loan, the interest rate on the borrower's Loan is effectively reduced for that month by one-half of one percent (1/2%);

iii) In any month, if Borrower Investments total, for the entire month, at least seventy-five percent (75%), but less than one hundred percent (100%), of the outstanding principal balance of the borrower's Loan, the interest rate on the borrower's Loan is effectively reduced for that month by three-quarters of one percent (3/4%); and

iv) In any month, if Borrower Investments total, for the entire month, at least one hundred percent (100%) of the outstanding principal balance of the borrower's Loan, the interest rate on the borrower's Loan is effectively reduced for that month by one percent (1%).

The rebate consists of the difference between 1) the actual interest paid by a borrower for any calendar year and 2) the amount of interest payable for such calendar year calculated with the reductions, as set forth above, which will be returned to the borrower after the end of each calendar year, provided that no rebate will be given with respect to any month for which the interest charged is not paid by January 20th of the succeeding calendar year. In the case of rebates during the construction phase of a construction Loan, the rebates will be determined as stated above, except that the full Loan commitment amount will be used instead of the outstanding principal balance of the borrower's Loan.

Loans by Geographic Region

As of December 31, 2019, the amount of Loans outstanding in each of the eight geographic regions classified by the U.S. Bureau of Economic Analysis (BEA), and their respective percentages of the total Loans outstanding, were as follows:

BEA Region	Loan Amount	% of Total
Far West Region	$ 11,068,720	11.70%
Great Lakes Region	7,275,203	7.69%
Mideast Region	17,680,772	18.69%
New England Region	3,628,982	3.84%
Plains Region	11,932,797	12.61%
Rocky Mountain Region	6,533,407	6.91%
Southeast Region	24,653,574	26.06%
Southwest Region	11,663,610	12.33%
Puerto Rico	164,637	0.17%
Total for All Regions	$ 94,601,702	100.00%

Material Loans and Loan Delinquencies

The Program had a balance of $94,001,702 (as of December 31, 2019) in outstanding Loans, net of allowance for Loan losses (the "Total Loan Balance"). One (1) of the Program's Loans had an outstanding principal balance greater than five percent (5%) of the Total Loan Balance as of December 31, 2019, with an aggregate principal balance at that date of $6,379,376.

During the three-year period ending December 31, 2019, none of the Program's Loans were more than ninety (90) days past due. As of December 31, 2019, six (6) of the Program's Loans were impaired, with an aggregate principal balance of $1,474,463, and the terms of such loan were restructured. However, as of December 31, 2019, none of the Program's Loans were more than ninety (90) days past due. There can be no assurance that delinquencies will not increase in the future.

Due to the nature of the relationship with its borrowers, it is the policy of the Program to work with its borrowers in their efforts to meet Loan obligations. However, no assurance can be given that the Program will be willing to refinance, restructure or work out delinquent Loans in the future.

Loan Loss Reserves

The Program's allowance for Loan losses is maintained at a level considered adequate to provide for probable incurred credit losses. As of December 31, 2019, the aggregate allowance for Loan losses was $600,000.

INVESTING ACTIVITIES

The Program maintains a portion of its assets in an investment portfolio pending utilization for Loan activities or for maintaining reasonable liquidity. Investments conform to the social investment policies of PCUSA which i) generally encourage investments in entities which further the pursuit of peace, racial justice, economic and social justice, and gender equality and ii) currently prohibit investments in certain specified corporations engaged in substantial tobacco-related business or engaged in substantial military-related production. The current investment policy of the Program limits investments with maturity periods in excess of 13 months and up to 36 months to no more than ten percent (10%) of the outstanding balance of Notes and Denominational Accounts, and the policy restricts investments to United States Treasury and United States Agency issues, money market funds, commercial paper, Eurodollar and Yankee time deposits, bank time deposits, certificates of deposit, corporate bonds and variable rate demand notes fully backed by letters of credit of qualified commercial banks. The Program may from time to time change its investment policies to include intermediate and long term U.S. government and other fixed income securities or other types of investments.

The Finance Committee of the Board of Directors oversees the investment policy and reviews investment transactions on a quarterly basis. The President has the responsibility of implementing the policy. The current President, James G. Rissler, has held that position since January 2015. Prior to that, Mr. Rissler served as the Senior Vice President Finance & Administration and Treasurer of the Program since June 1999. Prior to joining the Program, he earned a B.S. degree in Economics and Business Administration from Vanderbilt University and then had a seventeen-year career in the banking industry. See "Management." The Program does not currently utilize the services of an investment adviser.

Below is a summary of the Program's Invested Funds as of December 31, 2019:

Type of Investment	12/31/2019	% of Total
Cash and cash equivalents	$ 7,688,468	44.6%
Investments		
Money Market	40,874	0.2%
Fixed Income Bonds		
U.S. treasury and federal agency	255,253	1.5%
Corporate bonds	3,768,602	21.9%
Other bonds	203,176	1.2%
Certificates of Deposit	$ 5,281,161	30.6%
Total	$ 17,237,534	100.0%

During the fiscal years ended December 31, 2019, 2018, and 2017 the Program had aggregate realized and unrealized gains (losses) of $65,495, $(22,459), and $(5,929), respectively, on its Invested Funds.

SELECTED FINANCIAL DATA

Below is a summary in tabular form of certain selected financial data with respect to the Program's operations for its five most recent fiscal years. This data has been compiled by management from the Program's audited financial statements, and it should be read in conjunction with the most recent audited financial statements of the Program (including the notes thereto) which begin on page 33.

Description of Selected Financial Data of the Program	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Cash and cash equivalents	$ 7,688,468	$ 2,345,619	$ 3,917,072	$ 8,794,537	$ 4,393,867
Loans, net (total Loans receivable)	94,001,702	94,155,947	87,053,442	77,892,595	79,946,448
Unsecured Loans receivable	111,253	150,334	189,463	251,485	212,462
as a percentage of Loans, net	0.12%	0.16%	0.22%	0.32%	0.27%
Loan delinquencies 90 days or more past due as a percentage of Loans, net	0.00%	0.00%	0.00%	0.00%	0.00%
Investments	9,549,066	10,600,612	13,997,373	16,606,310	17,420,991
Total Assets	111,496,463	107,329,100	105,184,703	103,555,395	102,014,586
Notes payable to Investors	52,877,280	53,089,358	52,879,970	52,163,825	53,670,583
Note redemptions for the year then ended	7,234,377	6,436,590	6,249,616	7,363,221	7,730,327
Denominational (Depository) Accounts payable	43,239,413	39,877,192	39,487,236	39,368,378	38,162,754
Net assets without donor restrictions	14,562,271	13,241,860	11,908,644	10,636,823	9,422,490
Change in net assets without donor restrictions for the year then ended	1,320,411	1,333,216	1,271,821	1,214,333	831,875

Management's Financial Summary

The Board of Directors of the Program regularly reviews its overall financial position. The Program's operating philosophy is to maintain a position of liquidity sufficient to provide for operating cash requirements, a capital position sufficient to support its financial position and operations, and a margin of assets over liabilities. A significant shift in interest rates or Loan demand may adversely affect actual performance. The Program's Board of Directors may modify existing procedures or implement new procedures to enable the Program to operate under changing economic conditions. Some of the key areas regularly reviewed are the following:

Source of Funds for Payment of Notes – Under the Program's method of accounting, interest payments on Notes have been made from the Program's operating income and net assets without donor restrictions, and principal payments on Notes have been made from the Program's assets, exclusive of new Note proceeds. The Program anticipates that new Note proceeds will not be needed (except on a "cash flow" basis) for operating expenses or to repay interest and principal due on Notes. See "Use of Proceeds" on page 14. However, there is no guarantee that the anticipated results will occur.

Capital Adequacy – The net assets without donor restrictions of the Program have supported the Program's ability to maintain its operations. As of December 31, 2019, the Program's unrestricted assets as a percentage of its total assets were 13.06% determined as follows:

	12/31/2019
Net Assets Without Donor Restrictions.....	$ 14,562,271
Total Assets...	111,496,463
Net Assets Without Donor Restrictions Percentage of Total Assets	13.06%

The Program strives to maintain a strong capital position to support the Program's operations and growth.

Liquidity - It is the Program's policy to maintain at all times an aggregate operating and reserve liquidity, comprised of cash, cash equivalents, readily marketable securities and immediately available funds through a line of credit, equal to at least 8% of the Program's principal balance of all outstanding Notes and Denominational Accounts to provide for cash requirements of the Program as well as reserve liquidity. As of December 31, 2019, the Program had cash and Invested Funds equal to 34.60% of the total outstanding Notes and determined as follows:

	12/31/2019	
Cash and cash equivalents	$ 7,688,468	
Investments...	9,549,066	
Immediately available funds from LOC	1,057,546	(limited to 2% of outstanding Notes payable)
Total Cash and Invested Funds..........	18,295,080	
Notes Payable	52,877,280	
Cash and Invested Funds Percentage of Notes Payable	34.60%	

Cash Flow – The ratio of available cash, cash equivalents and Invested Funds as compared to cash redemptions has been at least one to one. As a result, the Program's cash flows have been and are anticipated to remain sufficient to meet its cash requirements for expenses as well as payments of interest and principal due on Notes. However, there is no guarantee that the anticipated results will occur. The Program's ratio of available cash to cash redemptions for its three most recent fiscal years is at least one to one (1:1) as follows:

	2019	2018	2017
Net cash from operating activities	$ 921,420	$ 1,557,406	$ 845,371
Liquid assets, including cash, cash equivalents, interest-bearing deposits and Investments (at beginning of year, from Statements of Financial Position)	12,946,231	17,914,445	25,400,847
Loan Repayments	11,858,382	10,243,622	8,613,816
Cash from sale of Notes	6,593,598	6,165,599	6,587,760
Loan Disbursements	(11,704,137)	(17,346,127)	(17,774,663)
Total Available Cash	$ 20,615,494	$ 18,534,945	$ 23,673,131
Redemptions of Notes	$ 7,234,377	$ 6,436,590	$ 6,249,616
Ratio	2.85	2.88	3.79

Loan Delinquencies - During the three-year period ending December 31, 2019, none of the Program's Loans were more than ninety (90) days past due. As of December 31, 2019, six (6) of the Program's Loans was impaired, with an aggregate principal balance of $1,474,463, and the terms of such loan were restructured. However, as of December 31, 2019, none of the Program's Loans were more than ninety (90) days past due.

Operating Trends - The Program has had a net surplus of income over expenses in each year beginning with 2001. There is no guarantee that the Program will continue to have a net surplus of income over expenses in the future. Below is a summary of the Program's change in net assets without donor restrictions for each of the last five (5) fiscal years:

	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Net interest income after provision for Loan losses...................................	$ 2,769,722	$ 2,831,862	$ 2,665,369	$ 2,562,606	$ 2,190,506
Noninterest income................................	918,646	872,865	802,157	849,010	778,554
Noninterest expenses	2,433,490	2,354,583	2,195,705	2,197,283	2,137,185
Change in net assets without donor restrictions for the year then ended.........................	1,320,411	1,333,216	1,271,821	1,214,333	831,875

Interest Rate Management - The Program's method of determining interest rates on Notes and Loans is based upon an effort to reduce the risks pertaining to the differential between borrowing and lending rates. Prior to closing a Loan, the Program limits the length of time to which it is committed to an initial Loan interest rate to sixty (60) day commitments. On Loans where the loan commitment was issued prior to August 15, 2008, Loans originated for $1,000,000 or less will have the interest rate adjusted biennially, and Loans originated for more than $1,000,000 will have the interest rate adjusted annually. On Loans where the loan commitment was issued on or after August 15, 2008, the interest rate will be adjusted every three (3) years. The Program charges a penalty for early withdrawal of Notes. See "Withdrawal and Early Withdrawal Penalties" on page 25. The Program has implemented these procedures to allow it to operate under fluctuating economic conditions.

DESCRIPTION OF NOTES

NOTE: Investments offered by the Presbyterian Church (U.S.A.) Investment and Loan Program, Inc. are not bank deposits or obligations and are not insured by the Federal Deposit Insurance Corporation (FDIC), the Securities Investor Protection Corporation (SIPC) or any other federal or state agency.

The Program may issue up to One Hundred Fifty Million Dollars ($150,000,000) of its Notes throughout the fifty (50) states, the District of Columbia and Puerto Rico during the 12-month period ending April 30, 2021. This amount may be issued in any one or more of the types of Notes provided that no more than Ten Million Dollars ($10,000,000) of Notes will be issued to residents of Pennsylvania. Notes will be offered to eligible Investors and must be purchased in minimum face amounts of Five Hundred Dollars ($500). The terms and conditions of Notes will be construed under and governed by Kentucky law. The terms of any Notes purchased pursuant to this Offering Circular will remain as described in this Offering Circular. However, no assurance can be given that the terms of any Notes offered in future issues will remain the same as those described herein.

All Notes offered to individual Investors are also available as investments for self-directed IRAs of individual Investors. In order to purchase Notes for a self-directed IRA, the individual Investor may direct his or her IRA custodian to submit to the Program an IRA Note Request along with an investment application completed by the individual Investor. Because an IRA is subject to specific requirements under the Internal Revenue Code, the Program does not represent that a Note is a permitted investment for an IRA and, therefore, an individual Investor should consult with his or her tax advisor and IRA custodian before directing a purchase of a Note for his or her self-directed IRA. Further, Notes are not available for purchase for the IRA of any individual Investor who is a director, officer or employee of the Program.

Borrowers under the Loans from the Program are generally required to have a minimum level of investments with the Program, designated for that particular borrower, in order to obtain the Program's base rate for the Loan. See "Supporting Investment Requirement" at page 18. In addition, if a borrower under a Loan from the Program meets certain levels of supporting investments, the borrower will effectively be given an interest rate rebate. See "Rebate Policy" at page 18.

The Program will accept payment for Notes in the form of cash, personal check, cashier's check, money order or wire transfer. The Program offers no financing terms.

Interest

Funds received for the purchase of Notes earn interest from the day of receipt calculated on a 365 day basis, except in leap years in which case interest is calculated on a 366 day basis. Interest is compounded daily and, except as described below with respect to Mission Market Fund Notes, is paid or credited on the last day of each three month period following the date of the Note. Interest shall be added to the amount due unless, except in the case of Mission Market Fund Notes, the Investor requests the interest to be paid to the Investor either upon application for the Note, or in any subsequent written notice received by the Program. This election may be changed at any time upon receipt by the Program of the Investor's written notice to change. However, for Notes with principal balances of $5,000 or less, the Program may require that interest be added to principal and that an election may not be made to have it paid to the Investor automatically. With respect to Mission Market Fund Notes, all interest is added to principal on a calendar quarterly basis, and Investors may not elect to have the interest automatically paid to them quarterly. All Investors receive statements indicating the activities for the prior period at the end of each three month period following the date of the Note. Investors may choose to make a charitable contribution to the Program of interest earned on Notes (see "Tax Aspects" at page 26).

Notes will bear interest at a rate that is determined from time to time in accordance with the then current policies of the Program. Interest rates are currently established by the Program based upon certain average savings yields (certificates of deposit) paid by 100 large banks and thrifts in the top ten consolidated metropolitan statistical areas as published in the Bank Rate Monitor™ as the "National Index." For each type of Note, the Program computes a trailing four week average of rates, ending with the last week of each month, which becomes the midpoint of the interest rate range from which the Program establishes the rate for Notes to be issued in the following month. Except for separate interest rates for investments of only new funds and as described below for Mission Market Fund Notes, all Notes issued thereafter bear interest at a rate that is generally, but can be greater or smaller than, one percent (1%) above or below the midpoint. The Program may, from time to time, establish separate interest rates for investments of only new funds that may be significantly greater than one percent (1%) above the calculated midpoint. Mission Market Fund Notes earn interest only on balances of at least $500 and provide for five tiers of interest rates based upon whether the balance of the Note is under $50,000, from $50,000 up to $99,999.99, from $100,000 up to $249,999.99, from $250,000 up to $499,999.99, or $500,000 and over. The monthly adjusted interest rates will be set (i) for the lowest tier at rates comparable to the rates established for six-month Adjustable Rate Term Notes, (ii) for the lower middle tier at rates which are generally .05% to .50% above the lowest tier rates, (iii) for the middle tier at rates which are generally .10% to .75% above the lowest tier rates, (iv) for the upper middle tier at rates which are generally .15% to 1.00% above the lowest tier rates, and (v) for the highest tier at rates which are generally .20% to 1.25% above the lowest tier rates.

The interest rate on a Fixed Rate Term Note does not vary over the term of the Note. The interest rate on an Adjustable Rate Term Note and a Mission Market Fund Note may be adjusted monthly. See "Adjustable Rate Term Notes" and "Mission Market Fund Notes" below. The Program will review certain factors, such as investment gap analysis, Loan demand, cash flow needs and the current policy of the Federal Reserve, before establishing each month's rate of interest. The Program will provide potential and existing Investors with current interest rates on Notes along with this Offering Circular and, at any other time, upon request.

The Program reserves the right to change the method by which interest is determined or the frequency with which interest is paid to the Investor or added to the Notes. If the Program exercises its right to change the method by which interest is calculated or the frequency in which interest is paid on existing Notes, the holders of such Notes would receive written notification describing the changes and the method of determining rates of such Notes. If upon receiving the notice, Investors wish to make a complete withdrawal, they may do so within 30 days of receiving the notice. For the last payment of interest only, they may also be paid interest at the rates in effect for these Notes during the preceding month, provided they notify the Program within this thirty day period.

The Program will establish interest rates on a monthly basis for Mission Market Fund Notes and for Notes having terms of six (6), twelve (12), twenty-four (24), thirty-six (36), forty-eight (48) and sixty (60) months. The Program may establish on a monthly basis an interest rate for any Note with another term length. If, at any time, the Program has not specifically established an interest rate for a Note with such other term length, then the applicable interest rate will be determined according to the following schedule:

If the term of the Note is:

- over 6 months, but less than 12 months, the 6 month rate for the applicable type of Note applies.
- over 12 months, but less than 24 months, the 12 month rate for the applicable type of Note applies.
- over 24 months, but less than 36 months, the 24 month rate for the applicable type of Note applies.
- over 36 months, but less than 48 months, the 36 month rate for the applicable type of Note applies.
- over 48 months, but less than 60 months, the 48 month rate for the applicable type of Note applies.

The Program may, from time to time, establish separate interest rates for investments of only new funds that are different from the interest rates applicable to rollovers or reinvestments of existing investments.

Fixed Rate Term Notes

Fixed Rate Term Notes pay interest at rates which remain fixed throughout their term and are available for terms of any period from six (6) to sixty (60) months.

Adjustable Rate Term Notes

Adjustable Rate Term Notes pay an adjustable interest rate that may be adjusted on the first day of each month. These Notes are available for terms of any period from six (6) to sixty (60) months. The monthly adjusted interest rate will be set within a range that is generally, but can be greater or smaller than, one percent (1%) above or below the midpoint used to calculate the interest rate on new Fixed Rate Term Notes of the same term. Notwithstanding the preceding sentence, the interest rate adjustment will not exceed a one percent increase or a one percent decrease within any month. The Program will review certain factors, such as investment gap analysis, Loan demand, cash flow needs and the current policy of the Federal Reserve, before establishing each month's rate of interest.

Mission Market Fund Notes

Mission Market Fund Notes are demand notes that pay an adjustable interest rate that may be adjusted on the first day of each month. Mission Market Fund Notes are issued as uncertificated securities (*i.e.*, in book-entry form), and the right of Investors in such Notes will be reflected upon the books and records of the Program. An Investment Certification, along with a Terms & Conditions document, will be provided to Investors to confirm their investment. A statement indicating the balance of a Mission Market Fund Note including any additions, withdrawals, and any interest credited, withdrawn or accumulated, will be mailed to the Investors at the end of each month.

Mission Market Fund Notes earn interest only on balances of at least $500 and provide for five tiers of interest rates based upon whether the balance of the Note is under $50,000, from $50,000 up to $99,999.99, from $100,000 up to $249,999.99, from $250,000 up to $499,999.99, or $500,000 and over. Additions of principal may be made to Mission Market Fund Notes at any time. Withdrawals from Mission Market Fund Notes may be made at any time without penalty and are payable upon written request of the Investor provided, however, that the Program reserves the right to require Investors to provide up to thirty (30) days written notice of any intended withdrawal before such withdrawal is made. Up to three (3) withdrawals may be made per month without any service fee, with excess monthly withdrawals being subject to a service fee of $50.00 per excess monthly withdrawal. Both additions to and withdrawals from Mission Market Fund Notes must be made in minimum amounts of $500. The monthly adjusted interest rates will be set (i) for the lowest tier at rates comparable to the rates established for six-month Adjustable Rate Term Notes, (ii) for the lower middle tier at rates which are generally .05% to .50% above the lowest tier rates, (iii) for the middle tier at rates which are generally .10% to .75% above the lowest tier rates, (iv) for the upper middle tier at rates which are generally .15% to 1.00% above the lowest tier rates, and (v) for the highest tier at rates which are generally .20% to 1.25% above the lowest tier rates. All interest is added to principal on a calendar quarterly basis, and Investors may not elect to have the interest automatically paid to them quarterly. The Program will review certain factors, such as investment gap analysis, Loan demand, cash flow needs and the current policy of the Federal Reserve, before establishing each month's rate of interest.

Maturity/Automatic Rollover

At least thirty (30) days prior to maturity of a Fixed Rate Term Note or an Adjustable Rate Term Note, the Program will send a written notice and a new Offering Circular to Investors. The notice given by the Program shall state the maturity date of such Note and that the Note shall be automatically renewed at the current interest rate in effect on the date of maturity for such type and term of Note and under the terms described in the then current Offering Circular, unless the Investor elects in writing within twenty (20) days before or after the Note's maturity date to redeem the Note or to reinvest the amount due thereunder into a new Note. If the Program is then offering a separate interest rate for investments of only new funds, that separate interest rate will not apply to a rollover or reinvestment, and only the rate then applicable to rollovers or reinvestments not involving new funds will apply. In the event that an Investor elects to redeem without reinvestment, upon surrender of the expired Note, the Program will pay to the Investor named in such Note the full amount of principal outstanding plus any interest added to principal and not previously withdrawn. The Program will also provide a current Offering Circular to each Investor with any maturity notice, unless the Investor has previously received a current Offering Circular.

Program's Early Redemption Right

The Program has the right to call Notes for redemption at any time upon sixty (60) days written notice. In such event, interest will be paid to the date of redemption.

Withdrawal and Early Withdrawal Penalties

Withdrawals from Fixed and Adjustable Rate Term Notes of interest accrued and added to principal during the current term, and also withdrawals of principal and/or interest from Mission Market Fund Notes (subject to monthly withdrawal limit), may be made at any time without penalty, and will normally be paid to the Investor on demand provided, however, that the Program reserves the right to require the Investor to provide up to thirty (30) days written notice of any intended withdrawal before such withdrawal is made.

The Program is not required to redeem all or part of any Fixed or Adjustable Rate Term Note prior to its maturity date. As a matter of policy, the Program may redeem Fixed and Adjustable Rate Term Notes prior to the maturity date at the request of Investors upon a showing of need. When the Program agrees to redeem a Fixed or Adjustable Rate Term Note prior to the maturity date, early withdrawal penalties are applied as follows:

Term of Note	Penalty (at current interest rate at date of redemption)
6 months	20 days interest
12 months	30 days interest
24 months	45 days interest
36 months	60 days interest
48 months	75 days interest
60 months	90 days interest

Except for the terms stated above, the penalty for any other term will be the same as the penalty for the next lowest term stated above (e.g., a 15 month Note will have the same penalty as a 12 month Note). Management may consider any extenuating circumstances which may force an investor to request an early withdrawal and may waive some or all of any early withdrawal penalty. In no event, however, will any early withdrawal penalty be applied in the case of a redemption of a Note occurring upon or as a result of the death of the Investor in whose name such Note was issued.

In addition, in the event that the balance of a Note would, upon a withdrawal or partial redemption, fall below $500.00, the balance of such Note will be fully redeemed without notice to the Investor.

Excess Monthly Withdrawal Service Fee (Mission Market Fund Notes Only)

In the case of Mission Market Fund Notes, Investors may make up to three (3) monthly withdrawals without any service fee. Excess monthly withdrawals beyond three (3) per month are subject to a service fee of $50.00 per excess monthly withdrawal.

Unsecured General Obligation Status of Notes

The Notes are unsecured and of equal priority with all other current indebtedness of the Program. However, the Program reserves the right to issue future obligations, or obtain a line or lines of credit, secured by a first lien on its assets in an amount not to exceed ten percent (10%) of the tangible assets of the Program (total assets less intangible assets as defined by U.S. GAAP).

Additional Information

The Program reserves the right at any time to discontinue offering any of the Notes described herein without the need to supplement this Offering Circular. The Program also reserves the right at any time to offer additional Notes having terms different than the terms of the Notes described in this Offering Circular. The Notes are non-negotiable and may be assigned only upon the Program's written consent.

PLAN OF DISTRIBUTION

The primary means for marketing the Notes will be through promotional brochures and Offering Circulars distributed to congregations and individual Presbyterian members. Promotional materials will also be published in national and regional publications of PCUSA and on the Program's homepage on the Internet (http://pilp.pcusa.org). The Program will also make the Offering Circular and investment application form available on its Internet website and by e-mail. In addition, promotional materials will be distributed at church conferences, national and regional meetings, retreats and seminars. A representative for the Program may discuss the nature and purpose of the Program's work at national or regional meetings or at PCUSA congregational services or gatherings. Each Investor will be provided a copy of the Offering Circular prior to the Investor's purchase of Notes. No offers to purchase will be accepted prior to the time that an Investor has executed an Account Information form acknowledging that he or she received a current Offering Circular. All sales are made by directors, officers and/or employees of the Program. No underwriting or selling agreements exist, and no direct or indirect remuneration will be paid to any person in connection with the offer and sale of Notes. Notes will be offered and sold only to Investors. (See definition of "Investor" on page 6 of this Offering Circular)

TAX ASPECTS

Investors will not receive a charitable deduction upon the purchase of a Note. The interest payable on the Notes will be taxable as ordinary income to the Investor in the year it is paid or accrued, regardless of whether it is actually paid out to the Investor. If interest is accrued over the life of the Note and paid at the maturity date, the Investor must report such interest as income on their federal and state income tax returns as it accrues. Transferability of the Notes is limited and it is unlikely that there would be a sale or exchange of a Note. Upon a transfer, however, the seller would generally report as either a short-term or long-term gain or loss, depending upon the length of time held, the gain or loss being equal to the difference between the purchase price and the amount received upon sale or exchange, less accrued interest. Purchasers who hold Notes until their maturity will not be taxed on the return of the principal purchase price or on previously accrued and taxed interest. Any excess will be interest income taxable in the year of maturity.

An individual Investor (or Investor and spouse together) who has (have) invested or loaned more than $250,000 in aggregate with or to the Program and other PCUSA Related Entities or Church Organizations may be deemed to receive additional taxable interest under Section 7872 of the Internal Revenue Code. Investors are encouraged to consult with their own tax advisors.

The Program will notify Investors of interest earned on Notes by sending them IRS Form 1099 by January 31st of each year. Investors who do not provide the Program with their correct social security number or Federal tax identification number will be subject to backup withholding of 24% on interest earned as required by law.

Investors who choose to contribute interest earned to the Program will also be provided with a letter from the Program indicating the amounts and dates of such contributions. Such contributions will qualify as charitable contributions for federal income tax purposes.

LITIGATION AND OTHER MATERIAL TRANSACTIONS

The Board of Directors and management of the Program are not aware of any action, proceeding, inquiry, or investigation at law or in equity, before any court or public agency, board or body present, pending or, to the knowledge of the Program, threatened against it (i) affecting the existence of the Program, (ii) seeking to prohibit, restrain or enjoin the issuance and sale of Notes, (iii) in any way contesting or affecting the validity or enforceability of the Notes, or (iv) in which an adverse determination would have an adverse material impact on the Program.

Furthermore, the Board of Directors and management of the Program are not aware of any actual or threatened litigation involving any director or officer of the Program pertaining to their duties as a director or officer of the Program. In addition, there have been no material transactions between the Program and any director or officer of the Program during the three-year period immediately preceding the date of this Offering Circular.

MATERIAL AFFILIATED/RELATED PARTY TRANSACTIONS

Except as otherwise disclosed in this Offering Circular, there have been no material transactions between the Program and any director or officer of the Program, or any borrower or other entity with which a director or officer of the Program is affiliated, during the three-year period immediately preceding the date of this Offering Circular. Any future transaction between the Program and a director or officer of the Program, or any borrower or other entity with which a director or officer of the Program is affiliated, will be made and entered into on terms no less favorable to the Program than those that the Program could obtain with an unaffiliated third party. With respect to any future affiliated transaction, or any forgiveness of the Loan of a borrower with which a director or officer of the Program is affiliated, a majority of the Program's independent, disinterested directors must approve such affiliated transaction or Loan forgiveness.

The Church Corporation is the sole member of the Program, and provides administrative support to the Program. Some administrative, managerial, accounting, and processing functions are performed by personnel of the Church Corporation under agreement with the Program and under the supervision of the Program's President. In addition, the Church Corporation leases to the Program certain office facilities. The Program will remit fees to the Church Corporation based on the time expended by the Church Corporation employees for the Program and pay rent to the Church Corporation for the use of the office area devoted to the operations of the Program. For the years ended 2019, 2018, and 2017, the Program expensed $230,996, $178,148, and $158,402, respectively, for these services. The Program also paid the Church Corporation $66,969 in 2019, $65,350 in 2018, and $63,447 in 2017 for office space. See "Management Services" on page 31 and also Note 8 to the Program's audited financial statements.

Also, the Program is currently providing loan administration services for the Church Loan Program of the Presbyterian Church (U.S.A.) Foundation, such as loan origination and servicing. The Program was reimbursed for the actual costs of such services by the Church Corporation through September 2018 and by the Presbyterian Church (U.S.A.) Foundation beginning October 2018. Reimbursement amounts from the Church Corporation were $-0-, $598,688, and $774,949, during 2019, 2018, and 2017, respectively. Reimbursement amounts from the Presbyterian Church (U.S.A.) Foundation were $916,183 and $228,137 during 2019 and 2018, respectively. See "History and Operations" on page 11 and also Note 8 to the Program's audited financial statements.

Further, the Church Corporation and the Presbyterian Church (U.S.A.) Foundation have Denominational Accounts with the Program as disclosed in the Program's audited financial statements on the Statements of Financial Position and also in Note 5 to the Program's audited financial statements.

As of December 31, 2019, the directors, officers, and employees of the Program owned or controlled Notes (including Notes held by church organizations of which they are members, directors or officers) in the aggregate totaling $1,910,086, which represents 3.6% of the Program's total outstanding Notes payable. Further, as of December 31, 2019, the Program had entered into Loan transactions with church organizations in which directors and officers of the Program are members, directors or officers in the aggregate totaling $9,536,439, which represents 10.1% of the Program's total outstanding Loans.

The Program originates loans with which the Presbyterian Church (U.S.A.) Foundation routinely participates. As of December 31, 2019 and 2018, loan participations sold to the Presbyterian Church (U.S.A.) Foundation totaled $30,095,362 and $30,172,213, respectively.

MANAGEMENT

Organizational Structure

The Program is a nonprofit corporation, incorporated in the State of Pennsylvania in July, 1995. The sole nonvoting member of the Program is the Church Corporation. The members of the Presbyterian Mission Agency of PCUSA constitute the Board of Directors of the Church Corporation. The Program's affairs are governed by the 1995 Deliverance of the 207th General Assembly (as revised by the 218th General Assembly (2008)) and the

Program's articles of incorporation and bylaws, which may be amended by its Board of Directors. Amendments to the Program's bylaws must be approved by the Presbyterian Mission Agency of PCUSA and reported to the General Assembly of PCUSA. Amendments to the Program's Deliverance and articles of incorporation must be approved by the Presbyterian Mission Agency of PCUSA and adopted by the General Assembly of PCUSA before they become effective.

Directors and Officers

The Program is currently managed by a Board of Directors, each member of which shall serve until the earlier of the expiration of his or her term or his or her death, resignation, or removal. The Board of Directors has full power to conduct, manage, and direct the business affairs of the corporation under and subject to the direction of the General Assembly of PCUSA, the Presbyterian Mission Agency of PCUSA or any agency thereof duly authorized. The members of the Board of Directors are elected by the Presbyterian Mission Agency and confirmed by the General Assembly of PCUSA for four-year terms. The Board of Directors has fifteen voting members: six at-large members; two members from the Presbyterian Mission Agency's membership (one from its Stewardship Resource and Allocation Committee and one from its Evangelism Committee); two members nominated by Presbyterian Church (U.S.A.) Foundation; one member nominated from among the synods; one member nominated from among the presbyteries; and three members nominated by the Board of Directors of the Program. In addition, two nonvoting members serve *ex-officio* on the Board of Directors, consisting of the Stated Clerk of the General Assembly and the President of the Church Corporation. As of the date of this Offering Circular, there are three voting vacancies on the Board of Directors. Each member may serve a maximum of two terms, except that the two members appointed from among the Presbyterian Mission Agency's own membership may serve a maximum of one term and only so long as such person continues to serve as a member of the specified committee of the Presbyterian Mission Agency. The Board of Directors meets at regularly scheduled meetings not less frequent than annually, and at special meetings as necessary. Officers of the corporation are elected by the Board of Directors. The President is elected to serve a four-year term subject to confirmation by the General Assembly. The following persons presently serve as the members of the Board of Directors, and/or as officers of the corporation, as designated:

Nathan Anderson (Board Member – current Board term ends March 2022) has been with Wake Forest University since 1999 and is currently the Director, Financial Systems & Analysis. Mr. Anderson received his Bachelor of Science degree in Business and Computer Science as well as his Masters of Business Administration degree from Wake Forest University. He is a Deacon and Ruling Elder. His time on Session included time as Clerk of Session as well as a leader of a capital/building campaign. Mr. Anderson has also served the Presbytery of Salem on the local campus ministry board. He was a Commissioner to the 216th General Assembly (2004) and served on the Mission Coordination Committee. Mr. Anderson currently attends Westminster Presbyterian Church in Greensboro, NC.

Steven Bass (Board Member – current Board term ends March 2024) is a retired Certified Public Accountant. Mr. Bass is a Ruling Elder at Magnolia Presbyterian Church and has also served in various voluntary roles for the Presbytery of Seattle. He earned his B.A. degree in Accounting from the University of Washington.

Gregory Chan (Vice Chair of the Board – current Board term ends March 2022) is a member of the Presbytery of San Francisco, Synod of the Pacific. Mr. Chan is a minister at-large and, currently, serves as Chair of the Presbytery Associates in the Presbytery of San Francisco. Recently semi-retired, he has more than 30 years' experience in the field of government/public affairs; he has represented the Bay Area Rapid Transit District, the New Jersey Council of Churches, and the East Bay Municipal Utility District. He has served on the Executive Boards of the Economic Development Alliance of the East Bay, the Metropolitan Oakland Chamber of Commerce and the West Contra Costa County Council of Industries—all in the San Francisco Bay Area. Mr. Chan holds a Bachelor's degree in Social Welfare and Community Organizing from California State University at San Diego, a Master's in Divinity and Communications from Princeton and San Francisco Theological Seminaries, a Master's in Business Administration from Golden Gate University, and is certified as a Campaign Coordinator via the University of California at Davis.

Rev. Sharon Core (Board Member – current Board term ends March 2022) currently serves as the General Presbyter for the Presbytery of the Western Reserve (Cleveland, OH). Before beginning this work, she was a parish pastor for 25 years serving the Arlington Presbyterian Church (Arlington, VA) and the Brevard-Davidson River Presbyterian Church (Brevard, NC). She is a graduate of Agnes Scott College and Columbia Theological Seminary.

Margaret Cyrus (Board Member – current Board term ends March 2022) is an experienced administrator serving as an administrative services and program coordinator in a variety of roles including recruitment and training for leading California universities and non-profit organizations. She also spent time as a camp co-director, a campaign leader at the University of Southern California, and the personal assistant to the president of the Atlanta Board of Education. Her work has included managing more than 22 operating, research, and department grant accounts valued in excess of $19 million. Margaret's work in ministry has spanned 43 years. Deeply involved in the congregations of Beth Salem, First Community, and Angeles Mesa Presbyterian Churches, she held leadership roles in church re-development, new church development, and church transformation, respectively. Beyond congregational work, she has developed strategies for the General Assembly, conducted praise and worship seminars across the United States and abroad, and served in a variety of roles for the presbyteries of Georgia, Sacramento, and the Pacific. Margaret earned her Bachelor of Science in Business Administration from Mount St. Mary's University in Los Angeles, California. She is a native of Bardstown, Kentucky and currently lives in Palmdale, California.

Olivia Hudson Smith (Board Member – current Board term ends March 2024) is a retired attorney. Ms. Hudson Smith began as a Special Education teacher for five years before becoming an attorney. She practiced as an attorney for thirty years, the last twenty years of which were as an Assistant City Attorney Specialist in the Denver City Attorney's Office from which she retired in 2012. After being ordained as a Minister of the Word and Sacrament in 2017, Ms. Hudson Smith has served as the Stated Clerk of the Presbytery of Denver. She has also served as Moderator of Denver Presbytery and as a board member of the Presbytery Publishing Corporation. Ms. Hudson Smith earned her J.D. in 1982 from the University of Denver Sturm College of Law and graduated from seminary at Iliff School of Theology in 2013. She presently lives in Denver, Colorado, where she attends People Presbyterian Church (U.S.A.).

Michael K. Kirk (Secretary – current term ends March 2021) is an Associate General Counsel on the staff of the Presbyterian Mission Agency. He received his B.A. degree from Colgate University, a J.D. from the University of Louisville Brandeis School of Law, and an LL.M. from Georgetown University School of Law. From 1985-1987 he was an Assistant District Attorney for Ulster County, New York. From 1987 until joining the Legal Services Office of the Church Corporation in March 2009, he was a partner with the law firm of Wyatt, Tarrant & Combs, LLP. He is a Ruling Elder and was Clerk of Session at Highland Presbyterian Church in Louisville, KY.

Clare R. Lewis (Vice President of Sales and Marketing – current term ends March 2021) is Vice President of Sales and Marketing of the Program. She has seventeen years of experience developing marketing and sales programs in the not-for-profit industry. Most recently, Ms. Lewis served as publisher of Congregational Ministries Publishing – a ministry area of the Presbyterian Mission Agency. She holds a degree from Wilfrid Laurier University in Waterloo, Ontario, Canada. Ms. Lewis is a member of Harvey Browne Memorial Presbyterian Church in Louisville, Kentucky, and a former youth pastor at First United Church, Kelowna, British Columbia.

Kathy Lueckert (Board Member, non-voting – serving ex-officio), a Ruling Elder, accepted the call to serve as the President of the Presbyterian Church (U.S.A.), A Corporation in August 2019. In her role she will also manage the Administrative Services Group. Before her latest call, she served as Director of Finance and Administration at Village Presbyterian Church in the Kansas City area and as Director of Strategic Projects for World Vision. Prior to that she served as the Executive Vice President and Deputy Executive Director of the General Assembly Council in Louisville — a predecessor to the Presbyterian Mission Agency. Kathy has also worked in local government management for over fifteen years. Originally from Columbia, Missouri, Kathy has degrees from George Mason University, George Washington University and University of Mary Washington.

Thomas McNeill (Chair of the Board – current Board term ends March 2024) is on the Session and Chairs the Investment Committee of First Presbyterian Church in Hartford, Ct. He was elected 3 times to Avon Board of Education serving 12 years. Mr. McNeill serves as Administrative hearing officer for several Connecticut State Agencies. He worked for 9 years at Aetna as real estate investment counsel. Mr. McNeill has been self-employed since 1987 as a lawyer doing financings, real estate and probate estates and holds a Real Estate Broker's license in Connecticut. He received a B.A. in History from Middlebury College in 1975 and received a J.D. degree from Northwestern University School of Law in 1978.

Rev. Dr. J. Herbert Nelson II (Board Member, non-voting – serving ex-officio) currently serves as the Stated Clerk of the Presbyterian Church (U.S.A.) He is a teaching elder and member of National Capital Presbytery who has served since 2010 as a director of the PC(USA) Office of Public Witness in Washington, D.C. From 1998 to 2010 he was the organizing pastor for Liberation Community Church in Memphis, Tennessee. From 1986 to 1997 he served as pastor of St. James Presbyterian Church in Greensboro, North Carolina. He has a Doctor of Ministry degree from

Louisville Presbyterian Theological Seminary, a Master of Divinity degree from Johnson C. Smith Theological Seminary and a Bachelor of Arts in Political Science from Johnson C. Smith University.

Laura J. Olliges (Assistant Treasurer – current term ends March 2021) is Manager of Accounting and Internal Compliance for the Program. She began work in this position in 2011. Before joining the Program, she served on the staff of the General Assembly Mission Council (now known as the Presbyterian Mission Agency) since 1992 in Finance and Accounting, Internal Audit, and World Mission. Ms. Olliges is a Certified Public Accountant and received her Masters of Business Administration from the University of Louisville. She is a member of Highland Presbyterian Church in Louisville, KY.

James Parks (Board Member – current Board term ends March 2022) is a native of Asheville, North Carolina. He has worked as a community organizer and journalist. He served as an editor for five newspapers including the Cincinnati Enquirer and the Baltimore Sun. In 1988, he volunteered in the Washington, D.C. office of Rev. Jesse Jackson's presidential campaign. For 21 years, he worked in the communications department at the national AFL-CIO headquarters, specializing in international human rights, civil rights, trade and collective bargaining issues. In that job, he travelled extensively overseeing projects in Kenya, Brazil and Haiti. He also served as an official international observer of the first free elections in South Africa in 1994. He served two terms as a member of the Session at Hunting Ridge PC in Baltimore, chair of the Presbytery Peace and Justice Committee, Vice Moderator of Baltimore Presbytery (2014-2015), Moderator (2015-2016) and chair of the Steering Cabinet (Executive Council) (2016-2018). Other than his church activities, he has served as an adjunct professor at two colleges and is a member of the Leadership Team for the United Nations Sustainable Development Program for Baltimore. He attended Davidson College, University of North Carolina—Asheville and Louisville Presbyterian Theological Seminary.

Lorraine Recchia (Senior Vice President Finance & Administration and Treasurer – current term ends March 2021) is chief operating officer of the Program and joined the Program in this position in February 2015. She brings over 21 years' experience in the financial services industry having served as Vice President with BMO Harris Bank. Ms. Recchia started her career in public accounting for Price Waterhouse. She holds a Masters of Business Administration from York University in Toronto, Ontario, Canada.

Stephen Rhoades (Board Member – current Board term ends March 2022) has been the Stated Clerk for the Presbytery of Santa Fe since August 2016. Mr. Rhoades is a retired attorney who is currently an inactive member of the State Bars of West Virginia (admitted 1977) and New Mexico (admitted 1980). He holds a B.A. in accounting from Grove City College in Grove City, Pennsylvania and a J.D. (Juris Doctorate) from the West Virginia College of Law in Morgantown, West Virginia. Mr. Rhoades has previously served as a member and co-chair of the Commission on Ministry for the Presbytery of Santa Fe and currently serves as ex-officio member of the Presbytery's Coordinating Team and Leadership Team. He has also previously served for two terms on the Board of Trustees for San Francisco Theological Seminary in San Anselmo, California. Mr. Rhoades lives in Albuquerque, New Mexico and attends First Presbyterian Church in Albuquerque.

James G. Rissler (President – current term ends January 2023) is the Chief Executive Officer of the Program and has been in this position since January 2015. Having started with the Program in 1999, he previously served as Senior Vice President Finance & Administration and Treasurer of the Program from 1999 through December, 2014. Prior to joining the Program in 1999, Mr. Rissler spent seventeen years in the banking industry most recently serving as a Vice President with PNC Bank, N.A. He holds a Bachelor of Science degree in Economics and Business Administration from Vanderbilt University. Mr. Rissler served on the board of the Presbyterian Homes & Services Foundation, Inc., was past Chair of the Board of Presbyterian Homes & Services of Kentucky, Inc., and is a Trustee on the board of Spalding University. He is a Ruling Elder and a Trustee of Harvey Browne Memorial Presbyterian Church where he has held a variety of committee positions mostly in the budget, stewardship, and building and grounds areas.

Rev. Richard H. White (Board Member – current Board term ends March 2022) is a Minister of the Word and Sacrament in the Presbyterian Church (U.S.A.) and honorably retired as a member of the Presbytery of New Brunswick. Until June 2013 he served for 10 years as Chaplain and Director of Religious Ministries at the Princeton HealthCare System (now Penn Medicine Princeton Health). Prior to entering ministry, Mr. White worked for 25 years as a commercial banker with First Maryland Bancorp (now M&T Bank Corporation) retiring in 1999 as President and CEO of First Omni Bank and Executive Vice President of the bank holding company. Mr. White currently serves as Chairman of the New Covenant Trust Company, N.A., a wholly owned subsidiary of the Presbyterian Foundation. He also serves on the PC(USA) committee for Mission Responsibility through Investment.

Mr. White served as a U.S. Army field artillery officer in the Vietnam War. He is a graduate of the University of Kansas and Princeton Theological Seminary where he earned an M.Div. and Th.M.

Donald Wingate (Board Member – current Board term ends March 2022) is a state certified building contractor and owns and manages commercial rental properties. He holds a Bachelor of Arts degree from the University of South Florida. Mr. Wingate has previously served on the Board of Directors for the Mission Development Resources Committee of the Presbyterian Mission Agency Board and the West Orange Habitat for Humanity, and he currently serves on the Board of Directors for The Bond Foundation. He is also a member of the Community Redevelopment Agency Advisory Board for the City of Winter Garden, Florida. Mr. Wingate previously was a Commissioner in the 2012 General Assembly. He is a Ruling Elder of Oakland Presbyterian Church, Oakland, Florida.

K. Nicholas Yoda (Board Member – current Board term ends March 2024) The Reverend Dr. K. Nicholas Yoda currently serves as the Pastor and Head of Staff of the Pleasant Ridge Presbyterian Church, teaches theology at Xavier University, and is completing a three year term of service (Vice Moderator, Moderator, and Chair of Council) for the Cincinnati Presbytery. Dr. Yoda has previously served the larger denomination on the Committee on Theological Education (2006 to 2014), as a General Assembly Commissioner (220th GA/Vice Moderator of GA Committee on the Confessions), the National Presbyterian Youth Ministry Council (1998-2002), as well as a variety of other special committees and leadership gatherings in and out of the church. His studies include Berry College, Columbia Theological Seminary, and the Graduate Theological Foundation.

Management Services

Some administrative, managerial, accounting, and processing functions are performed by personnel of the Church Corporation under agreement with the Program and under the supervision of the Program's President. In addition, the Church Corporation leases to the Program certain office facilities. The Program will remit fees to the Church Corporation based on the time expended by the Church Corporation employees for the Program and pay rent to the Church Corporation for the use of the office area devoted to the operations of the Program. The amounts paid and accrued by the Program for administrative services and rent for the year ended December 31, 2019, are as follows:

	2019
Administrative Services	$ 230,996 paid and accrued
Rent	$ 66,969 paid

Remuneration

Members of the Program's Board of Directors do not receive compensation for their services to the Program. Directors are reimbursed for actual expenses incurred in attending the board meetings of the Program. Currently, the Secretary and Assistant Secretary are employees of the Church Corporation. From time to time other officers of the Program may also be employed by the Church Corporation. For the year ended December 31, 2019, the direct and indirect compensation paid by the Program to its executive officers (which term does not encompass assistant officers) is shown below, in the aggregate, for all executive officers and also, individually, for each of the Program's executive officers who received total remuneration in excess of $150,000:

Payee	Salary	Health and Other Insurance	Pension and Retirement	Other Remuneration	Total Remuneration
James G. Rissler (President), individually	$ 170,470	$ 11,379	$ 39,922	$ -0-	$ 221,771
Lorraine Recchia (Senior Vice President Finance & Administration And Treasurer), individually	$ 120,024	$ 10,083	$ 24,797	$ 7,193	$ 162,097
Aggregate for all executive officers	$ 397,624	$ 33,571	$ 85,947	$ 15,938	$ 533,080

LEGAL MATTERS

The law firm of Spencer Fane LLP, 1 North Brentwood Boulevard, Suite 1000, St. Louis, Missouri 63105, has given its opinion that the Notes, when issued by the Program, will be legally issued and binding obligations of the Program.

FINANCIAL STATEMENTS

The audited financial statements included herein are the Statements of Financial Position as of December 31, 2019 and 2018, and the related Statements of Activities and Changes in Net Assets Without Donor Restrictions and Statements of Cash Flows for the years ended December 31, 2019, 2018, and 2017 and related Notes to Financial Statements.

INVESTOR REPORTS

The Program's current audited financial statements will be mailed to Investors within 120 days of the end of its last fiscal year, and will also be made available to Investors upon written request.

INDEPENDENT AUDITORS

The Program's Financial Statements, which include the Statements of Financial Position as of December 31, 2019 and 2018, and the related Statements of Activities and Changes in Net Assets Without Donor Restrictions and Statements of Cash Flows for the years ended December 31, 2019, 2018, and 2017, included in this Offering Circular have been audited by Crowe LLP, independent auditors, as stated in their report appearing herein.

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Presbyterian Church (U.S.A.)
Investment and Loan Program, Inc.
Louisville, Kentucky

Report on the Financial Statements

We have audited the accompanying financial statements of Presbyterian Church (U.S.A) Investment and Loan Program, Inc., which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets without donor restrictions, and cash flows for each of the three years in the period ended December 31, 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Presbyterian Church (U.S.A) Investment and Loan Program, Inc. as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for each of the three years in the period ended December 31, 2019, in accordance with accounting principles generally accepted in the United States of America.

Crowe LLP

Crowe LLP

Louisville, Kentucky
March 9, 2020

PRESBYTERIAN CHURCH (U.S.A.)
INVESTMENT AND LOAN PROGRAM, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 7,688,468	$ 2,345,619
Investments	9,549,066	10,600,612
Loans, net	94,001,702	94,155,947
Accrued interest receivable	246,660	212,171
Other assets	10,567	14,751
Total assets	$ 111,496,463	$ 107,329,100
LIABILITIES AND NET ASSETS WITHOUT DONOR RESTRICTIONS		
Accrued interest payable	$ 160,218	$ 121,036
Other liabilities	657,281	999,654
Notes payable to investors	52,877,280	53,089,358
Denominational accounts payable to PC (U.S.A.) Foundation	11,279,000	9,279,000
Denominational accounts payable to PC (U.S.A.), A Corporation	9,661,215	8,049,873
Denominational accounts payable to Synods and Presbyteries	22,284,653	22,533,982
Denominational accounts payable to Presbyterian Publishing Corporation	14,545	14,337
Total liabilities	96,934,192	94,087,240
Net assets without donor restrictions		
Contributed capital	5,000,000	5,000,000
Accumulated surplus	9,562,271	8,241,860
Net assets without donor restrictions	14,562,271	13,241,860
Total liabilities and net assets without donor restrictions	$ 111,496,463	$ 107,329,100

See accompanying notes to financial statements.

PRESBYTERIAN CHURCH (U.S.A.)
INVESTMENT AND LOAN PROGRAM, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS
Years ended December 31, 2019, 2018 and 2017

	2019	2018	2017
Operating income:			
Interest and fees on loans	$ 3,856,770	$ 3,607,417	$ 3,217,531
Interest income on investments	226,180	189,594	208,455
Total interest income	4,082,950	3,797,011	3,425,986
Operating expense:			
Interest on notes and denominational accounts	1,301,436	956,313	754,717
Other interest expense	11,792	8,836	5,900
Total interest expense	1,313,228	965,149	760,617
Net interest income before provision for loan losses	2,769,722	2,831,862	2,665,369
Provision for loan losses	-	-	-
Net interest income after provision for loan losses	2,769,722	2,831,862	2,665,369
Other operating income:			
Administrative service fee	917,216	848,736	801,865
Miscellaneous income	1,430	24,129	39
	918,646	872,865	801,904
Other operating expense:			
Salaries and benefits	1,603,301	1,581,638	1,486,238
General and administrative	752,903	691,365	638,340
Professional services, registration and filing fees	77,286	81,580	71,127
	2,433,490	2,354,583	2,195,705
Increase in net assets from operating activities	1,254,878	1,350,144	1,271,568
Non-operating income (loss):			
Gifts and contributions	38	5,531	6,182
Realized investment gain (loss)	1,008	(4,844)	(323)
Unrealized investment gain (loss)	64,487	(17,615)	(5,606)
	65,533	(16,928)	253
Increase in net assets without donor restrictions	1,320,411	1,333,216	1,271,821
Net assets without donor restrictions, beginning of year	13,241,860	11,908,644	10,636,823
Net assets without donor restrictions, end of year	$ 14,562,271	$ 13,241,860	$ 11,908,644

See accompanying notes to financial statements.

PRESBYTERIAN CHURCH (U.S.A.)
INVESTMENT AND LOAN PROGRAM, INC.
STATEMENTS OF CASH FLOWS
Years ended December 31, 2019, 2018 and 2017

	2019	2018	2017
Cash flows from operating activities:			
Change in net assets	$ 1,320,411	$ 1,333,216	$ 1,271,821
Adjustments to reconcile change in net assets to net cash from operating activities:			
(Gain) loss on investments	(65,495)	22,459	5,929
Other changes in operating assets and liabilities:			
Accrued interest receivable and other assets	(30,305)	(10,106)	45,137
Accrued interest payable and other liabilities	(303,191)	211,837	(477,516)
Net cash from operating activities	921,420	1,557,406	845,371
Cash flows from investing activities:			
Purchase of fixed income bonds	(2,281,441)	(4,546,413)	(2,593,069)
Proceeds from calls and maturities of fixed income bonds	2,153,694	4,433,854	2,510,240
Net change in variable rate demand notes, money market funds and certificates of deposits	1,244,788	3,486,861	2,685,838
Issuance of loans	(11,704,137)	(17,346,127)	(17,774,663)
Proceeds from loan repayments	11,858,382	10,243,622	8,613,816
Net cash from (used in) investing activities	1,271,286	(3,728,203)	(6,557,838)
Cash flows from financing activities:			
Issuance of notes payable	7,207,956	6,645,978	6,965,761
Redemption of notes payable	(7,234,377)	(6,436,590)	(6,249,616)
Issuance of denominations payable	6,088,404	1,552,455	4,445,665
Redemptions of denominations payable	(2,911,840)	(1,162,499)	(4,326,808)
Net cash from financing activities	3,150,143	599,344	835,002
Net change in cash and cash equivalents	5,342,849	(1,571,453)	(4,877,465)
Cash and cash equivalents, beginning of year	2,345,619	3,917,072	8,794,537
Cash and cash equivalents, end of year	$ 7,688,468	$ 2,345,619	$ 3,917,072
Supplemental disclosure of cash flow information:			
Interest paid for the year	$ 1,274,046	$ 936,199	$ 749,029

See accompanying notes to financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: The Presbyterian Church (U.S.A.) Investment and Loan Program, Inc. ("the Program") was authorized by the 207th General Assembly ("the Church") of the Presbyterian Church (U.S.A.) ("the Denomination") in 1995. The Program's primary purpose is to augment the church development activities of the Church. These activities include the issuance of denominational account receipts, notes or other financial instruments approved by its Board of Directors in order to fund loans for the mission of the Church; the establishment of underwriting standards and loan criteria for loans to congregations, governing bodies, and theological and educational institutions related to the Denomination to enable them to acquire or improve real property; the training and orientation of volunteers, committees, employees, and others within Synods and Presbyteries who have responsibilities related to work of the Program; accounting and reporting with respect to all of the foregoing; and such other mission, finance and related services as the Presbyterian Mission Agency Board (formerly known as the General Assembly Mission Council) may direct or approve.

The Program was incorporated in Pennsylvania on July 31, 1995, as a nonprofit religious membership organization and is tax exempt under Section 501(c) (3) of the Internal Revenue Code of 1986, as amended. As a nonprofit corporation, the Program does not have any shareholders. Its sole member is the Presbyterian Church (U.S.A.), A Corporation ("PC (U.S.A.)").

Subsequent Events: The Program has evaluated subsequent events for recognition and disclosure through March 9, 2020, which is the date the financial statements were available to be issued.

Use of Estimates: To prepare financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions based on available information. These estimates and assumptions affect the amounts reported in the financial statements and the disclosures provided, and future results could differ.

Cash Flows: Cash and cash equivalents include cash in banks and liquid investments. Net cash flows are reported for demand notes, money market funds and certificates of deposit with maturities fewer than 90 days.

Investments: Securities are carried at fair value. Investments consist principally of variable rate demand notes, money market funds, fixed income bonds and certificates of deposit with other financial institutions, which generally mature within three years. These investments could also include discounted commercial paper with original terms of thirteen months or less. Interest and dividends on investments are included in interest income. Realized and unrealized gains and losses are included in non-operating activities.

Loans: Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at the principal balance outstanding, net of allowance for loan losses. Interest income is accrued on the unpaid principal balance.

Interest income on loans is discontinued at the time the loan is 120 days delinquent unless the loan is well-secured and in process of collection. Past due status is based on the contractual terms of the loan. Loans are placed on nonaccrual or charged-off at an earlier date if collection of principal or interest is considered doubtful.

All interest accrued but not received for loans placed on nonaccrual are reversed against interest income. Interest received on such 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.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Loan Losses: The allowance for loan losses is a valuation allowance for probable incurred credit losses. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance. Management estimates the allowance balance required using past loan loss experience, the nature and volume of the portfolio, information about specific borrower situations and estimated collateral values, economic conditions, and other factors. Allocations of the allowance may be made for specific loans, but the entire allowance is available for any loan that, in management's judgment, should be charged off.

The allowance is determined by evaluating for specific and general components. The specific component relates to loans that are individually classified as impaired when, based on current information and events, it is probable that the Program will be unable to collect all amounts due according to the contractual terms of the loan agreement. Loans for which the terms have been modified resulting in a concession, and for which the borrower is experiencing financial difficulties, are considered troubled debt restructurings (TDRs) and classified as impaired.

A loan is impaired when, based on current information and events, full payment under the loan terms is not expected. If a loan is impaired, a portion of the allowance is allocated so that the loan is reported net, at the fair value of estimated future cash flows using the loan's existing rate or at its fair value of collateral if repayment is expected solely from the collateral.

Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed.

Troubled debt restructurings are separately identified for impairment disclosures and are measured at the present value of estimated future cash flows using the loan's effective rate at inception. If a troubled debt restructuring is considered to be a collateral dependent loan, the loan is reported, net, at the fair value of the collateral. For troubled debt restructurings that subsequently default, the Program determines the amount of reserve in accordance with the accounting policy for the allowance for loan losses.

The general component covers non-impaired loans and is based on historical loss experience adjusted for current factors. The historical loss experience is determined by portfolio segment and is based on the actual loss history experienced by the Program over the most recent years. This actual loss experience is supplemented with other economic factors based on the risks present for each portfolio segment. These factors include consideration of the following: levels of and trends in delinquencies and impaired loans; levels of and trends in charge-offs and recoveries; trends in volume and terms of loans; effects of any changes in risk selection and underwriting standards; other changes in lending policies, procedures, and practices; experience, ability, and depth of lending management and other relevant staff; national and local economic trends and conditions; industry conditions; and effects of changes in credit concentrations. The following portfolio segments have been identified: secured and unsecured loans.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Both secured and unsecured loans are made to various member congregations and governing bodies. Prior to entering into the loan relationship, each loan is evaluated as to its repayment ability through a careful analysis of cash flow generation sufficient to service debt. Secured loans provide a secondary source of repayment through liquidation of collateral, which generally consists of real estate. Unsecured loans are reliant on the cash flows of the borrower, co-borrower and/or guarantor.

Loan Commitment and Related Financial Instruments: Financial instruments include commitments to make loans which meet customer-financing needs. The face amount for these items represents the exposure to loss, before considering customer collateral or ability to repay. Such financial instruments are recorded when they are funded.

Concentration of Credit Risks: The Program maintains cash, liquid investments, interest-bearing deposits and investments with various financial institutions. At times, such items may be in excess of the FDIC insurance level. The Program also holds certain fixed income bonds. At year- end 2019 and 2018, there were no holdings of securities of any one issuer in an amount greater than 10% of net assets. Additionally, the Program’s loan portfolio is primarily for Presbyterian Church (U.S.A.) congregations, governing bodies, theological institutions, and educational institutions related to Presbyterian Church (U.S.A.) to enable them to acquire or improve real property.

Loss Contingencies: Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable, and an amount or range of loss can be reasonably estimated. Management does not believe there are currently such matters that will have a material effect on the financial statements.

Fair Value of Financial Instruments: Fair values of financial instruments are estimated using relevant market information and other assumptions. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular items. Changes in assumptions or in market conditions could significantly affect the estimates.

Income Taxes: The Program is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. A tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded.

Due to its tax-exempt status, the Program is not required to file federal or state tax returns. Accordingly, no provision for income taxes has been made in the financial statements. There were no income tax related interest or penalties recognized by the Program for the three years ended December 31, 2019. There is no expected change in the tax-exempt status of the Program over the next 12 months. The Program has not been examined by any tax jurisdiction. The Program is no longer subject to examination by any tax jurisdiction for years before 2017.

(Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of New Accounting Standard: On January 1, 2019, the Program adopted ASU 2014-09 *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively, "ASC 606"), which (i) creates a single framework for recognizing revenue from contracts with customers that fall within its scope and (ii) revises when it is appropriate to recognize a gain (loss) from the transfer of nonfinancial assets. The majority of the Program's revenues come from interest income and other sources, including loans and securities, which are outside the scope of ASC 606. The Program's services that fall within the scope of ASC 606 are presented within Other operating income and are recognized as revenue as the Program satisfies its obligation to the customer. Services within the scope of ASC 606 include administrative service fee income. The Program adopted ASC 606 using the modified retrospective approach. Refer to Note 11 *Revenue from Contracts with Customers* for further discussion on the Program's accounting policies for revenue sources within the scope of ASC 606.

NOTE 2 - INVESTMENTS

Investments: Investments are stated at fair value and consist of the following at December 31, 2019 and 2018:

	2019		2018	
	Cost	Fair Value	Cost	Fair Value
Money market fund	$ 40,874	$ 40,874	$ 255,090	$ 255,090
Fixed income bonds				
U. S. Treasury and federal agency	253,097	255,253	355,541	354,536
Corporate bonds	3,752,516	3,768,602	3,244,751	3,203,632
Other bonds	202,080	203,176	304,713	301,688
Certificates of deposit in other financial institutions	5,281,161	5,281,161	6,485,666	6,485,666
	$ 9,529,728	$ 9,549,066	$ 10,645,761	$ 10,600,612

The following schedule summarizes the investment return reported in the statements of activities and changes in net assets without donor restrictions for the years ended December 31, 2019, 2018 and 2017:

	2019	2018	2017
Interest and dividends on investments	$ 226,180	$ 189,594	$ 208,455
Realized investment gains (losses)	1,008	(4,844)	(323)
Unrealized investment gains (losses)	64,487	(17,615)	(5,606)
Total investment return	$ 291,675	$ 167,135	$ 202,526

(Continued)

NOTE 3 – LOANS

The portfolio of loans is due from member congregations of PC (U.S.A.) and governing bodies. Year-end loans were as follows:

	2019	2018
Secured loans	$ 94,490,449	$ 94,605,613
Unsecured loans	111,253	150,334
Subtotal	94,601,702	94,755,947
Less allowance for loan losses	(600,000)	(600,000)
Loans, net	$ 94,001,702	$ 94,155,947

The Program issued $11,704,137 of loans to 23 churches and presbyteries in 2019, $17,346,127 of loans to 34 churches and presbyteries in 2018 and $17,774,663 of loans to 31 churches and presbyteries in 2017. The weighted average interest rate of all loans issued by the Program at period end was 4.37% in 2019, 4.26% in 2018 and 4.20% in 2017.

The following table presents the activity in the allowance for loan losses by portfolio segment for the years ended December 31, 2019, 2018 and 2017:

	Secured	Unsecured	Unallocated	Total
December 31, 2019				
Allowance for loan losses:				
Beginning balance	$ 530,370	$ 751	$ 68,879	$ 600,000
Provision for loan losses	6,508	(195)	(6,313)	-
Loans charged off	-	-	-	-
Recoveries	-	-	-	-
Total ending allowance balance	$ 536,878	$ 556	$ 62,566	$ 600,000
December 31, 2018				
Allowance for loan losses:				
Beginning balance	$ 488,786	$ 947	$ 110,267	$ 600,000
Provision for loan losses	41,584	(196)	(41,388)	-
Loans charged off	-	-	-	-
Recoveries	-	-	-	-
Total ending allowance balance	$ 530,370	$ 751	$ 68,879	$ 600,000

(Continued)

NOTE 3 – LOANS (Continued)

	Secured	Unsecured	Unallocated	Total
December 31, 2017				
Allowance for loan losses:				
Beginning balance	$ 465,649	$ 1,257	$ 133,094	$ 600,000
Provision for loan losses	23,137	(310)	(22,827)	-
Loans charged off	-	-	-	-
Recoveries	-	-	-	-
Total ending allowance balance	$ 488,786	$ 947	$ 110,267	$ 600,000

The following table presents the balance in the allowance for loan losses and the recorded investment in loans by portfolio segment and based on impairment method as of December 31, 2019 and 2018:

	Secured	Unsecured	Unallocated	Total
December 31, 2019				
Allowance for loan losses:				
Ending allowance balance attributable to loans:				
Individually evaluated for impairment	$ 29,489	$ -	$ -	$ 29,489
Collectively evaluated for impairment	507,389	556	62,566	570,511
Total ending allowance balance	$ 536,878	$ 556	$ 62,566	$ 600,000
Loans:				
Loans individually evaluated for impairment	$ 1,474,463	$ -	$ -	$ 1,474,463
Loans collectively evaluated for impairment	93,015,986	111,253	-	93,127,239
Total ending loans balance	$ 94,490,449	$ 111,253	$ -	$ 94,601,702
December 31, 2018				
Allowance for loan losses:				
Ending allowance balance attributable to loans:				
Individually evaluated for impairment	$ 6,284	$ -	$ -	$ 6,284
Collectively evaluated for impairment	524,086	751	68,879	593,716
Total ending allowance balance	$ 530,370	$ 751	$ 68,879	$ 600,000

(Continued)

NOTE 3 – LOANS (Continued)

	Secured	Unsecured	Unallocated	Total
December 31, 2018				
Loans:				
Loans individually evaluated for impairment	$ 314,213	$ -	$ -	$ 314,213
Loans collectively evaluated for impairment	94,291,400	150,334	-	94,441,734
Total ending loans balance	$ 94,605,613	$ 150,334	$ -	$ 94,755,947

The recorded investment in loans excludes accrued interest receivable due to immateriality.

There were no loans delinquent more than 90 days past due and still accruing and no nonaccrual loans at year-end 2019 or 2018. There were no loans charged-off during the three years in the period ended December 31, 2019.

There were 6 loans totaling $1,474,463 that were impaired loans (troubled debt restructuring) in 2019. The loans had specific allocations of $0 and no amount has been charged off. The average balance for the loans were $1,522,010. Interest income recognized and received in cash totaled $67,097 in 2019.

There were 2 loans totaling $314,213 that were impaired loans (troubled debt restructuring) in 2018. The loans had specific allocations of $0 and no amount has been charged off. The average balance for the loans were $322,715. Interest income recognized and received in cash totaled $11,991 in 2018.

There was one loan totaling $60,759 that was an impaired loan (troubled debt restructuring) in 2017. The loan had specific allocations of $0 and no amount has been charged off. The average balance for the loan was $62,501. Interest income recognized and received in cash totaled $3,288 in 2017.

Troubled Debt Restructurings:

As of December 31, 2019 and 2018, the Program has a recorded investment in troubled debt restructuring of $1,474,463 and $314,213, respectively. The Program has allocated $0 of specific reserves for loans at December 31, 2019 and 2018 and has not committed to lend additional amounts.

During the years ended December 31, 2019, 2018 and 2017, the terms of these loans were modified as troubled debt restructurings. The modification of the terms of the loans included an extension of the maturity date and interest only periods. There were 4 loans modified as troubled debt restructurings in 2019, there was one loan modified as a troubled debt restructuring in 2018 and no loans modified in 2017. The related balances of the aforementioned loans modified during 2019, 2018 and 2017 were $1,176,801, $257,130 and $0, respectively.

There were no differences between the pre and post modified balances. No troubled debt restructurings defaulted in 2019, 2018 and 2017. The troubled debt restructurings did not result in any changes to the allowance for loan losses or charge-offs.

(Continued)

NOTE 3 – LOANS (Continued)

The following table presents the aging of the recorded investment in past due loans as of December 31, 2019 and 2018 by class of loans:

	30 - 59 Days Past Due	60 - 89 Days Past Due	Greater than 89 Days Past Due	Total Past Due	Loans Not Past Due	Total
December 31, 2019						
Secured loans	$ 81,375	$ 451,312	$ -	$ 532,687	$ 93,957,762	$ 94,490,449
Unsecured loans	-	-	-	-	111,253	111,253
Total	$ 81,375	$ 451,312	$ -	$ 532,687	$ 94,069,015	$ 94,601,702
December 31, 2018						
Secured loans	$ 1,374,621	$ -	$ -	$ 1,374,621	$ 93,230,992	$ 94,605,613
Unsecured loans	-	-	-	-	150,334	150,334
Total	$ 1,374,621	$ -	$ -	$ 1,374,621	$ 93,381,326	$ 94,755,947

Credit Quality Indicators:

The Program categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt such as: current financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The Program analyzes loans individually by classifying the loans as to credit risk. This analysis is performed on an accrual basis. The Program uses the following definitions for risk ratings:

Special Mention. Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

Substandard. Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.

Doubtful. Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

Loans not meeting the criteria above that are analyzed individually as part of the above described process are considered to be pass rated loans.

(Continued)

NOTE 3 – LOANS (Continued)

Based on the most recent analysis performed, the risk category of loans by class of loans is as follows:

	Pass	Special Mention	Substandard	Doubtful
December 31, 2019				
Secured loans	$ 89,995,395	$ 4,495,054	$ -	$ -
Unsecured loans	111,253	-	-	-
Total	$ 90,106,648	$ 4,495,054	$ -	$ -
December 31, 2018				
Secured loans	$ 90,782,831	$ 3,822,782	$ -	$ -
Unsecured loans	150,334	-	-	-
Total	$ 90,933,165	$ 3,822,782	$ -	$ -

NOTE 4 – FAIR VALUE

Fair value is the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels or inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Program uses the following methods and significant assumptions to estimate fair value.

Money Market Funds are valued based on quoted market prices (Level 1). Investments also include certificates of deposits with financial institutions. Fair values are estimated to approximate deposit account balances, payable on demand, as no discounts for credit quality or liquidity were determined to be applicable (Level 2).

The fair values of debt investments, that are readily marketable are determined by obtaining quoted market prices of similar securities with similar due dates (U.S. Treasury) (Level 2 inputs). The fair values of other debt instruments (U.S. federal agencies, corporate bonds, and other bonds) are determined by obtaining valuations from third parties based on matrix pricing, which is a mathematical technique widely used in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities (Level 2 inputs).

(Continued)

NOTE 4 – FAIR VALUE (Continued)

The carrying amounts and estimated fair values of financial instruments, at December 31, 2019 and 2018, are as follows:

		Fair Value Measurements at December 31 Using:		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2019				
Assets				
Money market	$ 40,874	$ 40,874	$ -	$ -
Fixed income bonds				
U.S. Treasury and federal agency	255,253	-	255,253	-
Corporate bonds	3,768,602	-	3,768,602	-
Other bonds	203,176	-	203,176	-
Certificates of deposit in other financial institutions	5,281,161	-	5,281,161	-
Total investments	$ 9,549,066	$ 40,874	$ 9,508,192	$ -
2018				
Assets				
Money market	$ 255,090	$ 255,090	$ -	$ -
Fixed income bonds				
U.S. Treasury and federal agency	354,536	-	354,536	-
Corporate bonds	3,203,632	-	3,203,632	-
Other bonds	301,688	-	301,688	-
Certificates of deposit in other financial institutions	6,485,666	-	6,485,666	-
Total investments	$ 10,600,612	$ 255,090	$ 10,345,522	$ -

NOTE 5 – NOTES AND DENOMINATIONAL ACCOUNTS

The Program offers notes and denominational accounts which are term and demand unsecured debt obligations. The denominational accounts consist of interest bearing, short and intermediate term debt obligations of the Program held by church organizations.

Notes Payable to Investors: The Program has received $52,877,280 and $53,089,358 from individual investors as of year-end 2019 and 2018. Interest rates ranged from .80% to 2.08% for fixed rate notes and from .75% to 1.88% for variable rate notes at December 31, 2019. Interest rates ranged from .85% to 2.47% for fixed rate notes and from .75% to 1.98% for variable rate notes at December 31, 2018.

(Continued)

NOTE 5 – NOTES AND DENOMINATIONAL ACCOUNTS (Continued)

The Program made a general offering dated in May 2006 of its Notes in an aggregate amount not to exceed $150,000,000 throughout the 50 states, the District of Columbia and Puerto Rico. The general offering is renewed as required in the various jurisdictions on an annual basis. The offering amount may be issued during each offering period in any one or more of the types of Notes provided that no more than $10,000,000 may be issued to residents of Pennsylvania, and no more than $50,000,000 in denominational accounts may be issued to residents of Florida.

The Program adheres to guidelines established by the North American Securities Administrators Association (NASAA) in the statement of policy regarding church extension fund securities related to the general offering of the notes to investors. The statement of policy provides financial guidelines to states and provinces related to the selling of these notes. The guidelines require the Program to maintain a liquidity ratio (cash, cash equivalents, short-term investments, and unused portions of lines of credit to outstanding notes payable) of at least 8% (with lines of credit not exceeding 2%), a capital adequacy ratio (net assets without donor restrictions to total assets) of at least 5%, coverage ratio of available cash (normal operating activities, liquid assets, loan principal repayment, sale of notes, and other funding sources) as compared to cash redemptions of notes exclusive of denominational accounts of at least one to one (1:1), no excessive loan delinquencies (less than 10%), positive change in net assets, less non-recurring or extraordinary item for at least three of the last five years, and limits senior secured debt to a maximum of 10% of total assets. As of December 31, 2019, the Program is in compliance with the guideline requirements.

Denominational Accounts: The Program has received commitments to invest from the PC (U.S.A.) and the Presbyterian Church (U.S.A.) Foundation (“the Foundation”) since June 1999. These commitments were renewed in 2019 and total $20,000,000. The commitments run for five years and ten years respectively, and are invested in increments of $500,000 by the entities when requested by the Program. The term of the investment can be from six months to five years and is decided by the entity. Upon maturity of any individual investment, and if within the period covered by a commitment to invest, the Program can request that the investment renew for a term selected by the entity.

The current commitments, effective May 1, 2019, from PC (U.S.A.) and the Foundation are commitments to invest up to $10,000,000 each, over a five-year period and a ten-year period, respectively, in short and intermediate term denominational accounts. Currently $7,696,729 of the PC (U.S.A.) commitment and $8,600,000 of the Foundation commitment are in denominational accounts with the Program. Of these denominational accounts, $2,583,506 from the PC (U.S.A.) and $8,600,000 from the Foundation mature in 2020. All of the maturing denominational accounts are expected to renew.

At December 31, 2019 and 2018, total combined denominational accounts received from PC (U.S.A.) and the Foundation were $20,940,215 and $17,328,873. The Program had also received $22,284,653 and $22,533,982 from Synods and Presbyteries and $14,545 and $14,337 from the Presbyterian Publishing Corporation at December 31, 2019 and 2018. Interest rates ranged from .80% to 2.08% for fixed rate denominational accounts and from .75% to 1.88% for variable rate denominational accounts at December 31, 2019. Interest rates ranged from .85% to 2.47% for fixed rate denominational accounts and from .75% to 1.98% for variable rate denominational accounts at December 31, 2018.

(Continued)

NOTE 5 – NOTES AND DENOMINATIONAL ACCOUNTS (Continued)

The scheduled maturities of Notes Payable and Denominational Accounts for the next five years were as follows:

	Notes Payable	Denominational Accounts	Total
2020	$ 16,870,671	$ 22,480,490	$ 39,351,161
2021	12,732,552	9,494,836	22,227,388
2022	8,965,262	2,484,411	11,449,673
2023	3,032,789	1,243,785	4,276,574
2024	1,718,378	1,420,634	3,139,012

Additionally, at December 31, 2019 and 2018, the Program had $9,557,627 and $9,057,460 in Mission Market Fund notes and $6,115,258 and $8,630,801 in Mission Market Fund denominational accounts, which have no stated maturity.

During 2019 and 2018, proceeds from the issuance of Notes Payable equaled $6,593,598 and $6,165,599; and interest expense on Notes Payable that was compounded to the Notes Payable was $614,358 and $480,378; and $7,420,034 and $6,436,590 in Notes Payable were redeemed in 2019 and 2018. Also, during 2019 and 2018, proceeds from Denominational Accounts equaled $5,759,200 and $1,316,967; and interest expense on Denominational Accounts that was compounded to the Denominational Accounts was $329,204 and $235,488; and $2,911,840 and $1,162,499 of Denominational Accounts were redeemed.

The Program renewed one unsecured line of credit with PNC Bank during 2019. The available balance of this line of credit is $3,000,000. As of December 31, 2019, no amounts were borrowed on this line. The line has an optional interest rate of the lesser of current prime rate, federal funds rate plus 50 basis points or LIBOR plus 150 basis points, and a maturity date of September 30, 2020.

NOTE 6 – LOAN COMMITMENTS

Upon approval of the loan applications, the Program issues 180-day letters of commitment to fund future loans. As of December 31, 2019, there were 6 variable rate commitments outstanding in the amount of $4,322,359. Management expects that all 6 loans will be closed before these commitments expire. As of year-end 2019, there was $9,128,314 of undisbursed construction loan advances. As of December 31, 2018, there were 4 variable rate commitments outstanding in the amount of $2,169,390. As of year-end 2018, there was $10,517,113 of undisbursed construction loan advances.

(Continued)

NOTE 7 – EMPLOYEE BENEFITS

The Program participates in the benefits plan of Presbyterian Church (U.S.A.), which is a “church plan” administered by the Board of Pensions of Presbyterian Church (U.S.A.). The benefits plan provides pension, death, disability and medical coverage. As of December 31, 2019, the most recent period for which information is available, the funded status of the Plan was 124%. The Program has no interest in either the net assets, or the accumulated benefit obligations of the plan. The Program pays the entire cost of the benefits plan incurred for its employees which constitute less than 5% of total contributions to the plan for each of the three years presented. Employees have the option to purchase additional supplemental coverage. There are no collective bargaining agreements in place that require contributions to the Pension Plan of Presbyterian Church (U.S.A.). The Employer Identification Number of the Pension Plan of the Presbyterian Church (U.S.A.) is 23-1352040.

A retirement savings plan is available to employees whereby participants may contribute up to 20% of their compensation, not to exceed government regulated maximum limits.

In addition, the Program makes contributions to a separate tax deferred annuity designed to provide equalization of the impact of tax differences between clergy and exempt lay personnel. The Program pays an amount based upon a calculation of tax differences.

The Program’s expense for the plans was approximately:

	2019	2018	2017
Administered by the Board of Pensions			
Pension & Death/Disability plan	$ 136,636	$ 134,714	$ 127,216
Major medical plan	186,050	175,772	159,398
Administered by others			
Retirement and savings plan	41,960	36,506	36,123
	$ 364,646	$ 346,992	$ 322,737

NOTE 8 – RELATED PARTY TRANSACTIONS

PC (U.S.A.) is the sole member of the Program and provides administrative support to the Program. For the years ended 2019, 2018 and 2017, the Program expensed $230,996, $178,148 and $158,402 for these services.

The Program also paid PC (U.S.A.) $66,969, $65,350 and $63,447 in 2019, 2018, and 2017 for office space. The current lease was entered into on January 23, 2019 for the period from January 1, 2019 to December 31, 2022. The future minimum lease payments of the current lease total $68,798 for 2020, $70,869 for 2021, and $73,010 for 2022.

During 2000, the Program began providing loan administration services for PC (U.S.A.), such as loan documentation and servicing. The Program was reimbursed by PC (U.S.A.) for the actual costs of such services through September 2018. Beginning in October 2018, these services were transitioned to the PC (U.S.A) Foundation. The actual costs reimbursed by PC (U.S.A) were $0, $598,688 and $774,949, during 2019, 2018 and 2017. The costs reimbursed by PC (U.S.A) Foundation were $916,183 and $228,137 in 2019 and 2018, respectively.

(Continued)

NOTE 8 – RELATED PARTY TRANSACTIONS (Continued)

The Program has entered into loan transactions with church organizations with which directors and officers are members or affiliates. Total loans to these organizations were $9,536,439 and $10,011,473 at year-end 2019 and 2018.

Investments from principal officers, directors, and their affiliates, as well as from church organizations with which directors and officers are either members or affiliates, at December 31, 2019 and 2018 were $1,910,086 and $3,758,291.

The Program originates loans with which PC(U.S.A.) Foundation routinely participates. At year end 2019 and 2018, loan participations sold to PC(U.S.A.) Foundation totaled $30,095,362 and $30,172,213.

NOTE 9 - PROGRAM EXPENSES BY NATURE

The statements of activities and changes in net assets without donor restrictions report certain categories of expenses based on natural classifications of the Program. Program activities include one category of "lending, deposits, and services" and the supporting activities include one category of "general and administrative". The table below presents these functional expenses by their natural classification for the years ended December 31, 2019 and 2018.

	Program Activities	Supporting Activities	
	Lending, Deposits and Services	General and Administrative	Total
2019			
Salaries and benefits	$ 1,122,311	$ 480,990	$ 1,603,301
General and administrative	527,032	225,871	752,903
Professional services, registration and filing fees	77,286	-	77,286
Total operating expenses	$ 1,726,629	$ 706,861	$ 2,433,490
2018			
Salaries and benefits	$ 1,107,147	$ 474,491	$ 1,581,638
General and administrative	483,956	207,409	691,365
Professional services, registration and filing fees	81,580	-	81,580
Total operating expenses	$ 1,672,683	$ 681,900	$ 2,354,583

The allocations of certain categories of expenses attributable to more than one program or supporting function are based on the allocation of time for each Program employee to that program activity or supporting activity.

(Continued)

NOTE 10 - LIQUIDITY AND AVAILABILITY

The Program's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	2019	2018
Cash and cash equivalents	$ 7,688,468	$ 2,345,619
Certificates of deposit and investments (due in one year)	1,776,098	3,920,000
Loans receivable (due in one year)	7,200,000	9,300,000
Accrued interest receivable	246,660	212,171
	$ 16,911,226	$ 15,777,790

The investment portfolio provides a source of liquidity that could be utilized if necessary. It is the Program's policy to maintain at all times an aggregate and reserve liquidity, comprised of cash, cash equivalents, readily marketable securities and immediately available funds through a line of credit, equal to at least 8% of the Program's principal balance of all outstanding Notes and Denominational Accounts to provide for cash requirements of the Program as well as reserve liquidity.

NOTE 11 – REVENUE FROM CONTRACTS WITH CUSTOMERS

All of the Program's revenue from contracts with customers in the scope of ASC 606 is recognized within Other operating income. A description of the Program's revenue stream accounted for under ASC 606 follows:

Administrative Service Fee: The Program provides loan administration services for PC (U.S.A.) Foundation, such as loan documentation and servicing. The Program was reimbursed by PC (U.S.A.) for the actual costs of such services through September 2018. Beginning in October 2018, these services were transitioned to the PC (U.S.A) Foundation. The actual costs reimbursed by PC (U.S.A) were $0, $598,688 and $774,949, during 2019, 2018 and 2017. The costs reimbursed by PC (U.S.A) Foundation were $916,183 and $228,137 in 2019 and 2018, respectively. Revenue is recognized as the expenses for such services are incurred. Administrative service fee income is reported separately under Other operating income on the Statement of Activities and Changes in Net Assets without Donor Restrictions.

Presbyterian Church (U.S.A.) Investment and Loan Program, Inc.
100 Witherspoon Street
Louisville, Kentucky 40202-1396

SUBSTITUTE W-9 INSTRUCTIONS

PURPOSE OF SUBSTITUTE W-9

The Presbyterian Church (U.S.A.) Investment and Loan Program (the "Program") is required to obtain your correct taxpayer identification number in order to report to the IRS interest paid to you. The Program (as any other payer of interest or dividends) must withhold 24% of the interest paid if you fail to furnish the Program with your correct taxpayer identification number or if you fail to sign the backup withholding certifications on the application accompanying the Offering Circular. This is referred to as backup withholding.

BACKUP WITHHOLDING

You are subject to backup withholding if:

(1) You fail to provide the Program with your taxpayer identification number, or
(2) The Internal Revenue Service notifies the Program that you furnished an incorrect taxpayer identification number, or
(3) You are notified by the Internal Revenue Service that you are subject to backup withholding, or
(4) For a Note purchased after December 31, 1983, you fail to certify by signing this form that you are not subject to backup withholding under (3) above, or fail to certify your taxpayer identification number.

IRS PENALTIES

Certain civil and criminal penalties may be imposed if you:

(1) Fail to furnish your correct taxpayer identification number, or
(2) Fail to report properly any portion of any includible payment of interest or dividends on your tax return, or
(3) Provide false information with respect to backup withholding, or
(4) Falsify certifications or affirmations.

INVESTORS EXEMPT FROM BACKUP WITHHOLDING

Investors specifically exempted from backup withholding on all payments include organizations exempt from tax under Section 501(a), such as a member congregation of Presbyterian Church (U.S.A.). However, such Investors are still required by the Program to complete and sign the application in order to avoid erroneous backup withholding. Religious, charitable, educational organizations or trusts must provide their employer identification number.

GUIDELINES FOR DETERMINING THE PROPER TAXPAYER IDENTIFICATION NUMBER TO PROVIDE

Note Issued to Following:	**Give the SOCIAL SECURITY number of:**	**Note Issued to Following:**	**Give the EMPLOYER IDENTIFICATION number of:**
1. An individual	The individual	8. Valid trust, estate or pension trust.	Legal entity
2. Two or more individuals (joint tenants with right of survivorship).	The actual owner of the Note, or if combined funds, the first individual on the account.	9. Corporation or LLC electing corporate status on IRS Form 8832 or Form 2553	The corporation
3. Custodian account of a minor (Uniform Gift to Minors Act).	The minor.	10. Association, club, religious, charitable, educational, or other tax-exempt organization.	The organization
4. Note in the name of guardian or conservator for a designated ward, minor or incompetent person.	The ward, minor or incompetent person.	11. Partnership or multi-member LLC	The partnership
5. a. The usual revocable trust (grantor is also trustee).	The grantor-trustee.	12. A broker or registered nominee.	The broker or nominee.
b. So-called trust account that is not a legal or valid trust under state law.	The actual owner.		
6. Sole proprietorship or disregarded entity owned by an individual.	The owner.	13. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations under section 1.671-4(b)(2(i)(B))	The trust
7. Disregarded entity not owned by an individual.	The owner.		