



ROTH INDIVIDUAL RETIREMENT ACCOUNT APPLICATION

PART 1. ROTH IRA OWNER

Name (First/Mi/Last) _____
 Address Line 1 _____
 Address Line 2 _____
 City/State/ZIP _____
 Social Security Number _____
 Date of Birth _____ Phone _____
 Email Address _____
 Account Number _____

PART 2. ROTH IRA CUSTODIAN

Name National Covenant Properties IRA
 Address Line 1 Covenant Trust Company, Custodian
 Address Line 2 8303 W. Higgins Road
 City/State/ZIP Chicago, IL 60631
 Phone 1.800.366.6273 Organization Number _____

This is an amendment to an existing Roth IRA.

Loan Generation Credit – Church Name _____ City/State _____

PART 3. CONTRIBUTION INFORMATION

Contribution Amount _____ Contribution Date _____

CONTRIBUTION TYPE (Select one)

- 1. Regular** (Includes catch-up contributions)
Contribution for Tax Year _____
- 2. Rollover** (Distribution from a Roth IRA or eligible employer-sponsored retirement plan that is being deposited into this Roth IRA)
By selecting this transaction, I irrevocably designate this contribution as a rollover.
- 3. Transfer** (Direct movement of assets from a Roth IRA into this Roth IRA)
- 4. Recharacterization** (A nontaxable movement of a Traditional IRA contribution into this Roth IRA)
By selecting this transaction, I irrevocably designate this contribution as a recharacterization.
- 5. Conversion** (A taxable movement from a Traditional IRA or SIMPLE IRA into this Roth IRA)
By selecting this transaction, I irrevocably designate this contribution as a conversion.

PART 4. INVESTMENT AND DEPOSIT INFORMATION

INVESTMENT INFORMATION (Complete this section as applicable.)

Investment Description	Quantity or Amount	Investment Number	Term or Maturity Date	Interest Rate
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

DEPOSIT METHOD

- Cash or Check** (If the contribution type is transfer, the check must be from a financial organization made payable to the custodian for this Roth IRA.)
- Internal Account**
Account Number _____ Type (e.g., checking, savings, IRA) _____
- External Account** (e.g., EFT, ACH, wire) (Additional documentation may be required and fees may apply.)
Name of Organization Sending the Assets _____ Routing Number (Optional) _____
Account Number _____ Type (e.g., checking, savings, IRA) _____

Deposit Taken by _____

Name of Roth IRA Owner _____, Account Number _____

PART 5. BENEFICIARY DESIGNATION

I designate that upon my death, the assets in this account be paid to the beneficiaries named below. The interest of any beneficiary that predeceases me terminates completely, and the percentage share of any remaining beneficiaries will be increased on a pro rata basis. If no beneficiaries are named, my estate will be my beneficiary.

I elect not to designate beneficiaries at this time and understand that I may designate beneficiaries at a later date.

PRIMARY BENEFICIARIES (The total percentage designated must equal 100%. If more than one beneficiary is designated and no percentages are indicated, the beneficiaries will be deemed to own equal share percentages in the Roth IRA.)

Name _____
Address _____
City/State/ZIP _____
Date of Birth _____ Relationship _____
Tax ID (SSN/TIN) _____ Percent Designated _____

Name _____
Address _____
City/State/ZIP _____
Date of Birth _____ Relationship _____
Tax ID (SSN/TIN) _____ Percent Designated _____

Name _____
Address _____
City/State/ZIP _____
Date of Birth _____ Relationship _____
Tax ID (SSN/TIN) _____ Percent Designated _____

Name _____
Address _____
City/State/ZIP _____
Date of Birth _____ Relationship _____
Tax ID (SSN/TIN) _____ Percent Designated _____

CONTINGENT BENEFICIARIES (The total percentage designated must equal 100%. If more than one beneficiary is designated and no percentages are indicated, the beneficiaries will be deemed to own equal share percentages in the Roth IRA. The balance in the account will be payable to these beneficiaries if all primary beneficiaries have predeceased the Roth IRA owner.)

Name _____
Address _____
City/State/ZIP _____
Date of Birth _____ Relationship _____
Tax ID (SSN/TIN) _____ Percent Designated _____

Name _____
Address _____
City/State/ZIP _____
Date of Birth _____ Relationship _____
Tax ID (SSN/TIN) _____ Percent Designated _____

Name _____
Address _____
City/State/ZIP _____
Date of Birth _____ Relationship _____
Tax ID (SSN/TIN) _____ Percent Designated _____

Name _____
Address _____
City/State/ZIP _____
Date of Birth _____ Relationship _____
Tax ID (SSN/TIN) _____ Percent Designated _____

Check here if additional beneficiaries are listed on an attached addendum. Total number of addendums attached to this Roth IRA _____

PART 6. SPOUSAL CONSENT

Spousal consent should be considered if either the trust or the residence of the Roth IRA owner is located in a community or marital property state.

CURRENT MARITAL STATUS

- I Am Not Married – I understand that if I become married in the future, I should review the requirements for spousal consent.
- I Am Married – I understand that if I choose to designate a primary beneficiary other than or in addition to my spouse, my spouse should sign below.

CONSENT OF SPOUSE

I am the spouse of the above-named Roth IRA owner. I acknowledge that I have received a fair and reasonable disclosure of my spouse's property and financial obligations. Because of the important tax consequences of giving up my interest in this Roth IRA, I have been advised to see a tax professional. I hereby relinquish any interest that I may have in this Roth IRA and consent to the beneficiary designation indicated above. I assume full responsibility for any adverse consequences that may result.

X _____
Signature of Spouse Date (mm/dd/yyyy)

X _____
Signature of Witness Date (mm/dd/yyyy)

PART 7. SIGNATURES

Important: Please read before signing.

I understand the eligibility requirements for the type of Roth IRA contribution I am making, and I state that I do qualify to make the contribution. I have received a copy of the Roth IRA Application, 5305-RA Custodial Account Agreement, the Financial Disclosure, and the Disclosure Statement. I understand that the terms and conditions that apply to this Roth IRA are contained in this Application and the Custodial Account Agreement. I agree to be bound by those terms and conditions. Within seven days from the date I open this Roth IRA I may revoke it without penalty by mailing or delivering a written notice to the custodian.

I assume complete responsibility for

- determining that I am eligible for a Roth IRA each year I make a contribution,
- ensuring that all contributions I make are within the limits set forth by the tax laws, and
- the tax consequences of any contributions (including rollover contributions and conversions) and distributions.

X _____
Signature of Roth IRA Owner Date (mm/dd/yyyy)

X _____
Signature of Witness Date (mm/dd/yyyy)

X _____
Signature of Custodian Date (mm/dd/yyyy)



Dear Investor:

Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. This law helps fight terrorism and money laundering activities. Since you were not physically present in Chicago to open your account, please complete the form below and return to our office. Please note: **your signature must be affirmed by either a notary public or a Signature Guarantee Medallion** stamp from your local bank.

Along with this form, we need a copy of valid ID (either your Driver's License or Passport).

Name: _____

Address: _____

City/State/Zip: _____

Date of Birth: _____

Form of ID Provided: _____

Signature: _____ Date: _____

Signature Affirmation

Notary Public

The above document was executed before me this ____ day of _____, 20__ by _____, to me known to be the person indicated above and I have verified the information completed above against their Driver's License or Passport.

Notary Seal

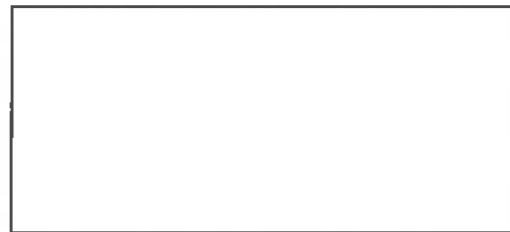
Notary Public Signature: _____

Printed Name: _____

Address: _____

City/State/Zip: _____

Bank Signature Guarantee Medallion



Bank Representative Signature:

Printed Name: _____

Bank Name: _____

City/State/Zip: _____

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ROTH INDIVIDUAL RETIREMENT CUSTODIAL ACCOUNT AGREEMENT

Form 5305-RA under section 408A of the Internal Revenue Code.

FORM (Rev. March 2002)

The depositor named on the application is establishing a Roth individual retirement account under section 408A to provide for his or her retirement and for the support of his or her beneficiaries after death.

The custodian named on the application has given the depositor the disclosure statement required by Regulations section 1.408-6.

The depositor has assigned the custodial account the sum indicated on the application.

The depositor and the custodian make the following agreement:

ARTICLE I

Except in the case of a rollover contribution described in section 408A(e), a recharacterized contribution described in section 408A(d)(6), or an IRA conversion contribution, the custodian will accept only cash contributions up to \$3,000 per year for tax years 2002 through 2004. That contribution limit is increased to \$4,000 for tax years 2005 through 2007 and \$5,000 for 2008 and thereafter. For individuals who have reached the age of 50 before the close of the tax year, the contribution limit is increased to \$3,500 per year for tax years 2002 through 2004, \$4,500 for 2005, \$5,000 for 2006 and 2007, and \$6,000 for 2008 and thereafter. For tax years after 2008, the above limits will be increased to reflect a cost-of-living adjustment, if any.

ARTICLE II

1. The annual contribution limit described in Article I is gradually reduced to \$0 for higher income levels. For a single depositor, the annual contribution is phased out between adjusted gross income (AGI) of \$95,000 and \$110,000; for a married depositor filing jointly, between AGI of \$150,000 and \$160,000; and for a married depositor filing separately, between AGI of \$0 and \$10,000. In the case of a conversion, the custodian will not accept IRA conversion contributions in a tax year if the depositor's AGI for the tax year the funds were distributed from the other IRA exceeds \$100,000 or if the depositor is married and files a separate return. Adjusted gross income is defined in section 408A(c)(3) and does not include IRA conversion contributions.
2. In the case of a joint return, the AGI limits in the preceding paragraph apply to the combined AGI of the depositor and his or her spouse.

ARTICLE III

The depositor's interest in the balance in the custodial account is nonforfeitable.

ARTICLE IV

1. No part of the custodial account funds may be invested in life insurance contracts, nor may the assets of the custodial account be commingled with other property except in a common trust fund or common investment fund (within the meaning of section 408(a)(5)).
2. No part of the custodial account funds may be invested in collectibles (within the meaning of section 408(m)) except as otherwise permitted by section 408(m)(3), which provides an exception for certain gold, silver, and platinum coins, coins issued under the laws of any state, and certain bullion.

ARTICLE V

1. If the depositor dies before his or her entire interest is distributed to him or her and the depositor's surviving spouse is not the designated beneficiary, the remaining interest will be distributed in accordance with (a) below or, if elected or there is no designated beneficiary, in accordance with (b) below:

(a) The remaining interest will be distributed, starting by the end of the calendar year following the year of the depositor's death, over the designated beneficiary's remaining life expectancy as determined in the year following the death of the depositor.

(b) The remaining interest will be distributed by the end of the calendar year containing the fifth anniversary of the depositor's death.

2. The minimum amount that must be distributed each year under paragraph 1(a) above is the account value at the close of business on December 31 of the preceding year divided by the life expectancy (in the single life table in Regulations section 1.401(a)(9)-9) of the designated beneficiary using the attained age of the beneficiary in the year following the year of the depositor's death and subtracting 1 from the divisor for each subsequent year.
3. If the depositor's surviving spouse is the designated beneficiary, such spouse will then be treated as the depositor.

ARTICLE VI

1. The depositor agrees to provide the custodian with all information necessary to prepare any reports required by sections 408(i) and 408A(d)(3)(E), Regulations sections 1.408-5 and 1.408-6, or other guidance published by the Internal Revenue Service (IRS).
2. The custodian agrees to submit to the IRS and depositor the reports prescribed by the IRS.

ARTICLE VII

Notwithstanding any other articles which may be added or incorporated, the provisions of Articles I through IV and this sentence will be controlling. Any additional articles inconsistent with section 408A, the related regulations, and other published guidance will be invalid.

ARTICLE VIII

This agreement will be amended as necessary to comply with the provisions of the Code, the related Regulations, and other published guidance. Other amendments may be made with the consent of the persons whose signatures appear on the application.

ARTICLE IX

- 9.01 **Definitions** – In this part of this agreement (Article IX), the words "you" and "your" mean the depositor. The words "we," "us," and "our" mean the custodian. The word "Code" means the Internal Revenue Code, and "regulations" means the Treasury regulations.
- 9.02 **Notices and Change of Address** – Any required notice regarding this Roth IRA will be considered effective when we send it to the intended recipient at the last address that we have in our records. Any notice to be given to us will be considered effective when we actually receive it. You, or the intended recipient, must notify us of any change of address.
- 9.03 **Representations and Responsibilities** –
 - (a) **Of Depositor** – You represent and warrant to us that any information you have given or will give us with respect to this Agreement is complete and accurate. Further, you agree that any directions you give us, or action you take will be proper under this Agreement, and that we are entitled to rely upon any such information or directions. If we fail to receive directions from you regarding any transaction, or if we receive ambiguous directions regarding any transaction, or we, in good faith, believe that any transaction requested is in dispute, we reserve the right to take no action until further clarification acceptable

to us is received from you or the appropriate government or judicial authority. We shall not be responsible for losses of any kind that may result from your directions to us or your actions or failures to act, and you agree to reimburse us for any loss we may incur as a result of such directions, actions or failures to act.

(b) Of Custodian – We shall act as an agent on your behalf. We shall receive funds and invest the same at your direction and in accordance with this Agreement. All National Covenant Properties Individual Retirement Account Certificates shall be held in our name or in the name of our nominee. You acknowledge and agree that nothing in this Agreement shall be construed as conferring fiduciary status upon us. We shall not be required to perform any additional services unless specifically agreed to under the terms and conditions of this Agreement, or as required under the Code and the Regulations promulgated thereunder with respect to IRAs.

We shall keep or cause to be kept adequate records as to your Custodial account and as to all transactions performed by us hereunder. We shall timely render or cause to be rendered to you (not later than 60 days after our removal or resignation hereunder) a report reflecting all transactions relative to your account through the close of such period and reflecting the assets of the Custodial account at the close of such period. Sixty days after such report is rendered we shall be forever relieved from all liability and accountability to anyone as to any transactions reflected in such report, except to the extent that we have received a written objection to any item in such report within the 60 day period after issuance of such report.

We shall deliver, or cause to be executed or delivered to you, all notices, disclosure statements, offering circulars, and financial statements relative to investment instruments of National Covenant Properties held in the Custodial account.

We may designate any person or entity (including National Covenant Properties or any party affiliated with it) to perform any of the administrative duties required of us hereunder.

You shall fully indemnify us and save us harmless from any and all claims, actions, proceedings, damages, judgments, expenses, costs and expenses, including attorneys' fees, arising out of this Agreement or in connection with the Custodial account, except to the extent such liability arises from our willful misconduct or negligence.

We shall not be bound to take any action on your behalf except upon receipt of written instruction from you. To the extent written instructions or notices are required under this Agreement, we may accept or provide such information in any other form permitted by the Code or applicable Regulations. We shall have no obligation to inquire into the genuineness of any such written instructions and shall have no liability for any action taken pursuant thereto, as long as we act in good faith. We shall not be responsible for losses of any kind that may result from directions, actions or failures to act by your authorized agent, and you agree to reimburse us for any loss we may incur as a result of such directions, actions or failures to act by your authorized agent. We have no duty to determine whether your contributions or distributions comply with the Code, Regulations, rulings or this Agreement.

9.04 Disclosure of Account Information – We may use agents and/or subcontractors to assist in administering your Roth IRA. We may release nonpublic personal information regarding your Roth IRA to such providers as necessary to provide the products and services

made available under this agreement, and to evaluate our business operations and analyze potential product, service, or process improvements.

9.05 Service Fees – We have the right to charge an annual service fee or other designated fees (e.g., a transfer, rollover, or termination fee) for maintaining your Roth IRA. In addition, we have the right to be reimbursed for all reasonable expenses, including legal expenses, we incur in connection with the administration of your Roth IRA. We may charge you separately for any fees or expenses, or we may deduct the amount of the fees or expenses from the assets in your Roth IRA at our discretion. We reserve the right to charge any additional fee after giving you 30 days' notice. Fees such as subtransfer agent fees or commissions may be paid to us by third parties for assistance in performing certain transactions with respect to this Roth IRA.

Any brokerage commissions attributable to the assets in your Roth IRA will be charged to your Roth IRA. You cannot reimburse your Roth IRA for those commissions.

9.06 Investment of Amounts in the Roth IRA –

(a) Investment of Custodial funds – All Custodial funds shall be invested solely in investment instruments issued by National Covenant Properties (known as National Covenant Properties IRA Certificates). All interest in National Covenant Properties IRA Certificates shall be reinvested and credited to the Custodian account. Upon the maturity of National Covenant Properties IRA Certificates, the certificates will be automatically renewed at the then prevailing interest rate and term unless you direct us in writing to the contrary. In order to permit reinvestment under this paragraph, we shall promptly convert to cash any rollover contribution accepted by us and shall charge any expenses of conversion to the custodial account; but we shall have the right to refuse any rollover contribution other than cash. In the absence of instructions from you or if your instructions are not in a form acceptable to us, we shall hold any uninvested amounts in cash and we shall have no responsibility to invest uninvested cash unless and until directed by you.

All transactions shall be subject to any and all applicable Federal and State laws and regulations and to our policies and practices.

After your death, your beneficiary(ies) shall have the right to direct the investment of your custodial account assets, subject to the same conditions that applied to you during your lifetime under this Agreement (including, without limitation, Article IX, Section 9.03 a).

(b) Our Investment Powers and Duties – We shall have no discretion to direct any investment in your custodial account. We assume no responsibility for rendering investment advice with respect to your custodial account, nor will we offer any opinion or judgment to you on matters concerning the value or suitability of any investment or proposed investment for your custodial account.

(c) Delegation of Investment Responsibility – We may, but are not required to, permit you to delegate your investment responsibility for your IRA to another party acceptable to us by giving written notice of your delegation in a format we prescribe. We shall follow the direction of any such party who is properly appointed and we shall be under no duty to review or question, nor shall we be responsible for, any of that party's directions, actions or failures to act.

9.07 Beneficiaries – If you die before you receive all of the amounts in your Roth IRA, payments from your Roth IRA will be made to your beneficiaries. We have no obligation to pay to your beneficiaries until such time we are notified of your death by receiving a valid death certificate.

You may designate one or more persons or entities as beneficiary of your Roth IRA. This designation can only be made on a form provided by or acceptable to us, and it will only be effective when it is filed with us during your lifetime. Each beneficiary designation you file with us will cancel all previous designations. The consent of your beneficiaries will not be required for you to revoke a beneficiary designation. If you have designated both primary and contingent beneficiaries and no primary beneficiary survives you, the contingent beneficiaries will acquire the designated share of your Roth IRA. If you do not designate a beneficiary or if all of your primary and contingent beneficiaries predecease you, your estate will be the beneficiary.

If your surviving spouse is the designated beneficiary, your spouse may elect to treat your Roth IRA as his or her own Roth IRA, and would not be subject to the required minimum distribution rules. Your surviving spouse will also be entitled to such additional beneficiary payment options as are granted under the Code or applicable regulations.

We may allow, if permitted by state law, an original Roth IRA beneficiary (the beneficiary who is entitled to receive distributions from an inherited Roth IRA at the time of your death) to name successor beneficiaries for the inherited Roth IRA. This designation can only be made on a form provided by or acceptable to us, and it will only be effective when it is filed with us during the original Roth IRA beneficiary's lifetime. Each beneficiary designation form that the original Roth IRA beneficiary files with us will cancel all previous designations. The consent of a successor beneficiary will not be required for the original Roth IRA beneficiary to revoke a successor beneficiary designation. If the original Roth IRA beneficiary does not designate a successor beneficiary, his or her estate will be the successor beneficiary. In no event will the successor beneficiary be able to extend the distribution period beyond that required for the original Roth IRA beneficiary.

If we so choose, for any reason (e.g., due to limitations of our charter or bylaws), we may require that a beneficiary of a deceased Roth IRA owner take total distribution of all Roth IRA assets by December 31 of the year following the year of death.

9.08 Termination of Agreement, Resignation, or Removal of Custodian – Either party may terminate this Agreement at any time by giving written notice to the other and to National Covenant Properties. We may resign at any time upon 30 days prior written notice to you and to National Covenant Properties. National Covenant Properties, as your agents, may remove us with or without cause at any time upon 30 days prior written notice to us. Upon our resignation or removal, National Covenant Properties, as your agent, shall appoint a “successor” custodian to serve under this Agreement. National Covenant Properties, as your agent, reserves the right to remove any custodian and designate a new custodian without your consent, provided that such removal and replacement is effectuated in accordance with all applicable provisions of this Section 9.07.

Upon acceptance of appointment by a successor custodian, the resigning or removed Custodian shall transfer the assets of the custodial account and all records pertaining thereto (or copies thereof) to the successor custodian. We shall not be liable for any actions or failures to act on the part of any successor custodian or trustee nor for any tax consequences you may incur that result from the transfer of your assets pursuant to this Section.

The Custodian and any successor custodian shall be a bank (as defined in Section 408(n) of the Code), or organization that has been determined by the Internal Revenue Service to be eligible to serve as a non-bank trustee or custodian with respect to individual retirement accounts. After the transfer of all custodial account assets to the successor custodian, we shall be relieved of all liability relative to this Agreement, the custodial account and the assets of the custodial account arising from or connected with acts or failures or refusals to act subsequent to such transfer.

If this agreement is terminated, we may charge to your Roth IRA a reasonable amount of money that we believe is necessary to cover any associated costs, including but not limited to one or more of the following.

- Any fees, expenses, or taxes chargeable against your Roth IRA
- Any penalties or surrender charges associated with the early withdrawal of any savings instrument or other investment in your Roth IRA

If we are a nonbank custodian required to comply with Regulations section 1.408-2(e) and we fail to do so or we are not keeping the records, making the returns, or sending the statements as are required by forms or regulations, the IRS may require us to substitute another trustee or custodian.

We may establish a policy requiring distribution of the entire balance of your Roth IRA to you in cash or property if the balance of your Roth IRA drops below the minimum balance required under the applicable investment or policy established.

9.09 Successor Custodian – If our organization changes its name, reorganizes, merges with another organization (or comes under the control of any federal or state agency), or if our entire organization (or any portion that includes your Roth IRA) is bought by another organization, that organization (or agency) will automatically become the trustee or custodian of your Roth IRA, but only if it is the type of organization authorized to serve as a Roth IRA trustee or custodian.

9.10 Amendments – Either we or you may amend this Agreement at anytime. In connection therewith, you delegate your right to amend this Agreement to National Covenant Properties. In addition, we expressly reserve the right at any time to revoke or amend the Custodian agreement and the accounts thereunder to any extent that we may deem advisable. Any amendment we make to comply with the Code and related Regulations does not require your consent. Such revocation or amendment shall become effective 15 days after the mailing to you, by first class mail, postage prepaid, of a copy of a duly-executed, written instrument of revocation or amendment. No such amendment (except to the extent that it is made retroactive to secure or maintain a favorable determination as to the qualification of the Agreement under Section 408 of the Code, or corresponding provision of any subsequent federal revenue law at the time in effect) shall reduce any vested interest of yours, of any other depositor, former depositor existing immediately prior to such amendment.

National Covenant Properties, as you agent, reserves the right to remove us, and designate a new custodian without your consent, provided that such removal and replacement is effectuated in accordance with Section 9.08 of this Article.

9.11 Withdrawals or Transfers – All requests for withdrawal or transfer will be in writing on a form provided by or acceptable to us. The method of distribution must be specified in writing or in any other method acceptable to us. The tax identification number of the recipient must be provided to us before we are obligated to make a distribution. Withdrawals will be subject to all applicable tax and other laws and regulations, including but not limited to possible early distribution penalty taxes, surrender charges, and withholding requirements.

You are not required to take a distribution from your Roth IRA at age 70½. At your death, however, your beneficiaries must begin taking distributions in accordance with Article V and section 9.07 of this article. We will make no distributions to you from your Roth IRA until you provide us with a written request for a distribution on a form provided by or acceptable to us.

9.12 Transfers From Other Plans – We can receive amounts transferred to this Roth IRA from the trustee or custodian of another Roth IRA as permitted by the Code. In addition, we can accept rollovers of eligible rollover distributions from employer-sponsored retirement plans as permitted by the Code. We reserve the right not to accept any transfer.

9.13 Liquidation of Assets – We have the right to liquidate assets in your Roth IRA if necessary to make distributions or to pay fees, expenses, taxes, penalties, or surrender charges properly chargeable against your Roth IRA. If you fail to direct us as to which assets to liquidate, we will decide, in our complete and sole discretion, and you agree to not hold us liable for any adverse consequences that result from our decision.

9.14 Restrictions on the Fund – Neither you nor any beneficiary may sell, transfer, or pledge any interest in your Roth IRA in any manner whatsoever, except as provided by law or this agreement.

The assets in your Roth IRA will not be responsible for the debts, contracts, or torts of any person entitled to distributions under this agreement.

9.15 IRA Certificate – This Individual Retirement Account Agreement constitutes your Individual Retirement Account Certificate as more fully described in the National Covenant Properties Offering Circular which accompanies this Agreement.

9.16 Depositor's Certification – The Depositor hereby certifies that he or she is a member of, contributor to, participant in, or affiliate of The Evangelical Covenant Church, including any program, activity or organization which constitutes a part of The Evangelical Covenant Church, or any of its conferences or congregations.

9.17 What Law Applies – This agreement is subject to all applicable federal and state laws and regulations. If it is necessary to apply any state law to interpret and administer this agreement, the law of our domicile will govern.

If any part of this agreement is held to be illegal or invalid, the remaining parts will not be affected. Neither your nor our failure to enforce at any time or for any period of time any of the provisions of this agreement will be construed as a waiver of such provisions, or your right or our right thereafter to enforce each and every such provision.

GENERAL INSTRUCTIONS

Section references are to the Internal Revenue Code unless otherwise noted.

PURPOSE OF FORM

Form 5305-RA is a model custodial account agreement that meets the requirements of section 408A and has been pre-approved by the IRS. A Roth individual retirement account (Roth IRA) is established after the form is fully executed by both the individual (depositor) and the custodian. This account must be created in the United States for the exclusive benefit of the depositor and his or her beneficiaries.

Do not file Form 5305-RA with the IRS. Instead, keep it with your records.

Unlike contributions to Traditional individual retirement arrangements, contributions to a Roth IRA are not deductible from the depositor's gross income; and distributions after 5 years that are made when the depositor is 59½ years of age or older or on account of death, disability,

or the purchase of a home by a first-time homebuyer (limited to \$10,000), are not includible in gross income. For more information on Roth IRAs, including the required disclosures the custodian must give the depositor, see Pub. 590, *Individual Retirement Arrangements (IRAs)*.

DEFINITIONS

IRA Conversion Contributions – IRA conversion contributions are amounts rolled over, transferred, or considered transferred from a nonRoth IRA to a Roth IRA. A nonRoth IRA is an individual retirement account or annuity described in section 408(a) or 408(b), other than a Roth IRA.

Custodian – The custodian must be a bank or savings and loan association, as defined in section 408(n), or any person who has the approval of the IRS to act as custodian.

Depositor – The depositor is the person who establishes the custodial account.

SPECIFIC INSTRUCTIONS

Article I – The depositor may be subject to a 6% tax on excess contributions if (1) contributions to other individual retirement arrangements of the depositor have been made for the same tax year, (2) the depositor's adjusted gross income exceeds the applicable limits in Article II for the tax year, or (3) the depositor's and spouse's compensation is less than the amount contributed by or on behalf of them for the tax year. The depositor should see the disclosure statement or Pub. 590 for more information.

Article V – This article describes how distributions will be made from the Roth IRA after the depositor's death. Elections made pursuant to this article should be reviewed periodically to ensure they correspond to the depositor's intent. Under paragraph 3 of Article V, the depositor's spouse is treated as the owner of the Roth IRA upon the death of the depositor, rather than as the beneficiary. If the spouse is to be treated as the beneficiary and not the owner, an overriding provision should be added to Article IX.

Article IX – Article IX and any that follow it may incorporate additional provisions that are agreed to by the depositor and custodian to complete the agreement. They may include, for example, definitions, investment powers, voting rights, exculpatory provisions, amendment and termination, removal of the custodian, custodian's fees, state law requirements, beginning date of distributions, accepting only cash, treatment of excess contributions, prohibited transactions with the depositor, etc. Attach additional pages if necessary.

FINANCIAL DISCLOSURE

This account is a self-directed Roth IRA which invests solely in National Covenant Properties IRA Certificates. The Covenant Trust Company as Custodian of the custodial account will not exercise any investment discretion regarding your IRA, as this account is only available for investment in National Covenant Properties IRA Certificates.

Because the Board of Directors of National Covenant Properties determines the interest rate of the National Covenant Properties IRA Certificates every six months, no projection of the growth of your IRA can reasonably be shown or guaranteed. The value of your IRA will be dependent upon the interest rate established by National Covenant Properties. Further information on a National Covenant Properties IRA Certificate is found in the National Covenant Properties Offering Circular which is provided with this document.

TERMS AND CONDITIONS

Investment	National Covenant Properties IRA Certificate
Fees	None
Interest Rate	Determined semi-annually by National Covenant Properties

DISCLOSURE STATEMENT

RIGHT TO REVOKE YOUR ROTH IRA

You have the right to revoke your Roth IRA within seven days of the receipt of the disclosure statement. If revoked, you are entitled to a full return of the contribution you made to your Roth IRA. The amount returned to you would not include an adjustment for such items as sales commissions, administrative expenses, or fluctuation in market value. You may make this revocation only by mailing or delivering a written notice to the custodian at the address listed on the application.

If you send your notice by first class mail, your revocation will be deemed mailed as of the postmark date.

If you have any questions about the procedure for revoking your Roth IRA, please call the custodian at the telephone number listed on the application.

REQUIREMENTS OF A ROTH IRA

A. Cash Contributions – Your contribution must be in cash, unless it is a rollover or conversion contribution.

B. Maximum Contribution – The total amount you may contribute to a Roth IRA for any taxable year cannot exceed the lesser of 100 percent of your compensation or \$5,500 for 2014 and 2015, with possible cost-of-living adjustments each year thereafter. If you also maintain a Traditional IRA (i.e., an IRA subject to the limits of Internal Revenue Code Sections (IRC Secs.) 408(a) or 408(b)), the maximum contribution to your Roth IRAs is reduced by any contributions you make to your Traditional IRAs. Your total annual contribution to all Roth IRAs and Traditional IRAs cannot exceed the lesser of the dollar amounts described above or 100 percent of your compensation.

Your Roth IRA contribution is further limited if your modified adjusted gross income (MAGI) equals or exceeds \$181,000 (for 2014) or \$183,000 (for 2015) if you are a married individual filing a joint income tax return, or equals or exceeds \$114,000 (for 2014) or \$116,000 (for 2015) if you are a single individual. Married individuals filing a joint income tax return with MAGI equaling or exceeding \$191,000 (for 2014) or \$193,000 (for 2015) may not fund a Roth IRA. Single individuals with MAGI equaling or exceeding \$129,000 (for 2014) or \$131,000 (for 2015) may not fund a Roth IRA. Married individuals filing a separate income tax return with MAGI equaling or exceeding \$10,000 may not fund a Roth IRA. The MAGI limits described above are subject to cost-of-living increases for tax years beginning after 2015.

If you are married filing a joint income tax return and your MAGI is between the applicable MAGI phase-out range for the year, your maximum Roth IRA contribution is determined as follows. (1) Begin with the appropriate MAGI phase-out maximum for the applicable year and subtract your MAGI; (2) divide this total by the difference between the phase-out range maximum and minimum; and (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you are age 50 or older. For example, if you are age 30 with MAGI of \$188,000, your maximum Roth IRA contribution for 2015 is \$2,750 [(\$193,000 minus \$188,000) divided by \$10,000 and multiplied by \$5,500].

If you are single and your MAGI is between the applicable MAGI phase-out for the year, your maximum Roth IRA contribution is determined as follows. (1) Begin with the appropriate MAGI phase-out maximum for the applicable year and subtract your MAGI; (2) divide this total by the difference between the phase-out range maximum and minimum; and (3) multiply this number by the maximum allowable contribution for the applicable year, including catch-up contributions if you are age 50 or older. For example, if you are age 30 with MAGI of \$119,000, your maximum Roth IRA contribution for 2015 is \$4,400 [(\$131,000 minus \$119,000) divided by \$15,000 and multiplied by \$5,500].

C. Contribution Eligibility – You are eligible to make a regular contribution to your Roth IRA, regardless of your age, if you have compensation and your MAGI is below the maximum threshold. Your Roth IRA contribution is not limited by your participation in an employer-sponsored retirement plan, other than a Traditional IRA.

D. Catch-Up Contributions – If you are age 50 or older by the close of the taxable year, you may make an additional contribution to your Roth IRA. The maximum additional contribution is \$1,000 per year.

E. Nonforfeatability – Your interest in your Roth IRA is nonforfeitable.

F. Eligible Custodians – The custodian of your Roth IRA must be a bank, savings and loan association, credit union, or a person or entity approved by the Secretary of the Treasury.

G. Commingling Assets – The assets of your Roth IRA cannot be commingled with other property except in a common trust fund or common investment fund.

H. Life Insurance – No portion of your Roth IRA may be invested in life insurance contracts.

I. Collectibles – You may not invest the assets of your Roth IRA in collectibles (within the meaning of IRC Sec. 408(m)). A collectible is defined as any work of art, rug or antique, metal or gem, stamp or coin, alcoholic beverage, or other tangible personal property specified by the Internal Revenue Service (IRS). However, specially minted United States gold and silver coins, and certain state-issued coins are permissible investments. Platinum coins and certain gold, silver, platinum, or palladium bullion (as described in IRC Sec. 408(m)(3)) are also permitted as Roth IRA investments.

J. Beneficiary Payouts – Your designated beneficiary is determined based on the beneficiaries designated as of the date of your death, who remain your beneficiaries as of September 30 of the year following the year of your death. The entire amount remaining in your account will, at the election of your designated beneficiaries, either

1. be distributed by December 31 of the year containing the fifth anniversary of your death, or
2. be distributed over the remaining life expectancy of your designated beneficiaries.

If your spouse is your sole designated beneficiary, he or she must elect either option (1) or (2) by the earlier of December 31 of the year containing the fifth anniversary of your death, or December 31 of the year life expectancy payments would be required to begin. Your designated beneficiaries, other than a spouse who is the sole designated beneficiary, must elect either option (1) or (2) by December 31 of the year following the year of your death. If no election is made, distribution will be calculated in accordance with option (2). In the case of distributions under option (2), distributions must commence by December 31 of the year following the year of your death. Generally, if your spouse is the designated beneficiary, distributions need not commence until December 31 of the year you would have attained age 70½, if later. If a beneficiary other than a person or qualified trust as defined in the Treasury Regulations is named, you will be treated as having no designated beneficiary of your Roth IRA for purposes of determining the distribution period. If there is no designated beneficiary of your Roth IRA, the entire Roth IRA must be distributed by December 31 of the year containing the fifth anniversary of your death.

A spouse who is the sole designated beneficiary of your entire Roth IRA will be deemed to elect to treat your Roth IRA as his or her own by either (1) making contributions to your Roth IRA or (2) failing to timely remove a required minimum distribution from your Roth IRA. Regardless of whether or not the spouse is the sole designated beneficiary of your Roth IRA, a spouse beneficiary may roll over his or her share of the assets to his or her own Roth IRA.

If we so choose, for any reason (e.g., due to limitations of our charter or bylaws), we may require that a beneficiary of a deceased Roth IRA owner take total distribution of all Roth IRA assets by December 31 of the year following the year of death.

If your beneficiary fails to remove a required minimum distribution after your death, an additional penalty tax of 50 percent is imposed on the amount of the required minimum distribution that should have been taken but was not. Your beneficiary must file IRS Form 5329 along with his or her income tax return to report and remit any additional taxes to the IRS.

INCOME TAX CONSEQUENCES OF ESTABLISHING A ROTH IRA

A. Contributions Not Deducted – No deduction is allowed for Roth IRA contributions, including transfers, rollovers, and conversion contributions.

B. Contribution Deadline – The deadline for making a Roth IRA contribution is your tax return due date (not including extensions). You may designate a contribution as a contribution for the preceding taxable year in a manner acceptable to us. For example, if you are a calendar-year taxpayer and you make your Roth IRA contribution on or before your tax filing deadline, your contribution is considered to have been made for the previous tax year if you designate it as such.

If you are a member of the Armed Forces serving in a combat zone, hazardous duty area, or contingency operation, you may have an extended contribution deadline of 180 days after the last day served in the area. In addition, your contribution deadline for a particular tax year is also extended by the number of days that remained to file that year’s tax return as of the date you entered the combat zone. This additional extension to make your Roth IRA contribution cannot exceed the number of days between January 1 and your tax filing deadline, not including extensions.

C. Tax Credit for Contributions – You may be eligible to receive a tax credit for your Roth IRA contributions. This credit may not exceed \$1,000 in a given year. You may be eligible for this tax credit if you are

- age 18 or older as of the close of the taxable year,
- not a dependent of another taxpayer, and
- not a full-time student.

The credit is based upon your income (see chart below), and will range from 0 to 50 percent of eligible contributions. In order to determine the amount of your contributions, add all of the contributions made to your Roth IRA and reduce these contributions by any distributions that you have taken during the testing period. The testing period begins two years prior to the year for which the credit is sought and ends on the tax return due date (including extensions) for the year for which the credit is sought. In order to determine your tax credit, multiply the applicable percentage from the chart below by the amount of your contributions that do not exceed \$2,000.

2015 Adjusted Gross Income*			Applicable Percentage
Joint Return	Head of a Household	All Other Cases	
\$1 – 36,500	\$1 – 27,375	\$1 – 18,250	50
\$36,501 – 39,500	\$27,376 – 29,625	\$18,251 – 19,750	20
\$39,501 – 61,000	\$29,626 – 45,750	\$19,751 – 30,500	10
Over \$61,000	Over \$45,750	Over \$30,500	0

*Adjusted gross income (AGI) includes foreign earned income and income from Guam, America Samoa, North Mariana Islands, and Puerto Rico. AGI limits are subject to cost-of-living adjustments each year.

D. Excess Contributions – An excess contribution is any amount that is contributed to your Roth IRA that exceeds the amount that you are eligible to contribute. If the excess is not corrected timely, an additional penalty tax of six percent will be imposed upon the excess amount. The procedure for correcting an excess is determined by the timeliness of the correction as identified below.

1. Removal Before Your Tax Filing Deadline. An excess contribution may be corrected by withdrawing the excess amount, along with the earnings attributable to the excess, before your tax filing deadline, including extensions, for the year for which the excess contribution was made. An excess withdrawn under this method is not taxable to you, but you must include the earnings attributable to the excess in your taxable income in the year in which the contribution was made. The six percent excess contribution penalty tax will be avoided.

2. Removal After Your Tax Filing Deadline. If you are correcting an excess contribution after your tax filing deadline, including extensions, remove only the amount of the excess contribution. The six percent excess contribution penalty tax will be imposed on the excess contribution for each year it remains in the Roth IRA. An excess withdrawal under this method is not taxable to you.

3. Carry Forward to a Subsequent Year. If you do not withdraw the excess contribution, you may carry forward the contribution for a subsequent tax year. To do so, you under-contribute for that tax year and carry the excess contribution amount forward to that year on your tax return. The six percent excess contribution penalty tax will be imposed on the excess amount for each year that it remains as an excess contribution at the end of the year.

You must file IRS Form 5329 along with your income tax return to report and remit any additional taxes to the IRS.

E. Tax-Deferred Earnings – The investment earnings of your Roth IRA are not subject to federal income tax as they accumulate in your Roth IRA. In addition, distributions of your Roth IRA earnings will be free from federal income tax if you take a qualified distribution, as described below.

F. Taxation of Distributions – The taxation of Roth IRA distributions depends on whether the distribution is a qualified distribution or a nonqualified distribution.

1. Qualified Distributions. Qualified distributions from your Roth IRA (both the contributions and earnings) are not included in your income. A qualified distribution is a distribution that is made after the expiration of the five-year period beginning January 1 of the first year for which you made a contribution to any Roth IRA (including a conversion from a Traditional IRA), and is made on account of one of the following events.

- Attainment of age 59½
- Disability
- First-time homebuyer purchase
- Death

For example, if you made a contribution to your Roth IRA for 2007, the five-year period for determining whether a distribution is a qualified distribution is satisfied as of January 1, 2012.

2. Nonqualified Distributions. If you do not meet the requirements for a qualified distribution, any earnings you withdraw from your Roth IRA will be included in your gross income and, if you are under age 59½, may be subject to an early distribution penalty tax. However, when you take a distribution, the amounts you contributed annually to any Roth IRA and any military death gratuity or Servicemembers' Group Life Insurance (SGLI) payments that you rolled over to a Roth IRA, will be deemed to be removed first, followed by conversion and employer-sponsored retirement plan rollover contributions made to any Roth IRA on a first-in, first-out basis. Therefore, your nonqualified distributions will not be taxable to you until your withdrawals exceed the amount of your annual contributions, rollovers of your military death gratuity or SGLI payments, and your conversions and employer-sponsored retirement plan rollovers.

G. Income Tax Withholding – Any nonqualified withdrawal of earnings from your Roth IRA may be subject to federal income tax withholding. You may, however, elect not to have withholding apply to your Roth IRA withdrawal. If withholding is applied to your withdrawal, not less than 10 percent of the amount withdrawn must be withheld.

H. Early Distribution Penalty Tax – If you are under age 59½ and receive a nonqualified Roth IRA distribution, an additional early distribution penalty tax of 10 percent generally will apply to the amount includible in income in the year of the distribution. If you are under age 59½ and receive a distribution of conversion amounts or employer-sponsored retirement plan rollover amounts within the five-year period beginning with the year in which the conversion or employer-sponsored retirement plan rollover occurred, an additional early distribution penalty tax of 10 percent generally will apply to the amount of the distribution. The additional early distribution penalty tax of 10 percent generally will not apply if one of the following exceptions apply. **1) Death.** After your death, payments made to your beneficiary are not subject to the 10 percent early distribution penalty tax. **2) Disability.** If you are disabled at the time of distribution, you are not subject to the additional 10 percent early distribution penalty tax. In order to be disabled, a physician must determine that your impairment can be expected to result in death or to be long, continued, and indefinite duration. **3) Substantially equal periodic payments.** You are not subject to the additional 10 percent early distribution penalty tax if you are taking a series of substantially equal periodic payments (at least annual payments) over your life expectancy or the joint life expectancy of you and your beneficiary. You must continue these payments for the longer of five years or until you reach age 59½. **4) Unreimbursed medical expenses.** If you take payments to pay for unreimbursed medical expenses exceeding 10 percent of your adjusted gross income, you will not be subject to the 10 percent early distribution penalty tax. The medical expenses may be for you, your spouse, or any dependent listed on your tax return. **5) Health insurance premiums.** If you are unemployed and have received unemployment compensation for 12 consecutive weeks under a federal or state program, you may take payments from your Roth IRA to pay for health insurance premiums without incurring the 10 percent early distribution penalty tax. **6) Higher education expenses.** Payments taken for certain qualified higher education expenses for you, your spouse, or the children or grandchildren of you or your spouse, will not be subject to the 10 percent early distribution penalty tax. **7) First-time homebuyer.** You may take payments from your Roth IRA to use toward qualified acquisition costs of buying or building a principle residence. The amount you may take for this reason may not exceed a lifetime maximum of \$10,000. The payment must be used for qualified acquisition costs within 120 days of receiving the distribution. **8) IRS**

levy. Payments from your Roth IRA made to the U.S. government in response to a federal tax levy are not subject to the 10 percent early distribution penalty tax. **9) Qualified reservist distributions.** If you are a qualified reservist member called to active duty for more than 179 days or an indefinite period, the payments you take from your Roth IRA during the active duty period are not subject to the 10 percent early distribution penalty tax.

You must file IRS Form 5329 along with your income tax return to the IRS to report and remit any additional taxes or to claim a penalty tax exception.

I. Required Minimum Distributions – You are not required to take distributions from your Roth IRA at age 70½ (as required for Traditional and savings incentive match plan for employees of small employers (SIMPLE) IRAs). However, your beneficiaries generally are required to take distributions from your Roth IRA after your death. See the section titled *Beneficiary Payouts* in this disclosure statement regarding beneficiaries' required minimum distributions.

J. Rollovers and Conversions – Your Roth IRA may be rolled over to another Roth IRA of yours, may receive rollover contributions, or may receive conversion contributions, provided that all of the applicable rollover or conversion rules are followed. Rollover is a term used to describe a movement of cash or other property to your Roth IRA from another Roth IRA, or from your employer's qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan. Conversion is a term used to describe the movement of Traditional IRA or SIMPLE IRA assets to a Roth IRA. A conversion generally is a taxable event. The general rollover and conversion rules are summarized below. These transactions are often complex. If you have any questions regarding a rollover or conversion, please see a competent tax advisor.

1. Roth IRA-to-Roth IRA Rollovers. Assets distributed from your Roth IRA may be rolled over to the same Roth IRA or another Roth IRA of yours if the requirements of IRC Sec. 408(d)(3) are met. A proper Roth IRA-to-Roth IRA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. In the case of a distribution for a first-time homebuyer where there was a delay or cancellation of the purchase, the 60-day rollover period may be extended to 120 days. Roth IRA assets may not be rolled over to other types of IRAs (e.g., Traditional IRA, SIMPLE IRA), or employer-sponsored retirement plans.

Effective for distributions taken on or after January 1, 2015, you are permitted to roll over only one distribution from an IRA (Traditional, Roth, or SIMPLE) in a 12-month period, regardless of the number of IRAs you own. A distribution may be rolled over to the same IRA or to another IRA that is eligible to receive the rollover. For more information on rollover limitations, you may wish to obtain IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, from the IRS or refer to the IRS website at www.irs.gov.

2. Traditional IRA to Roth IRA Conversions. If you convert to a Roth IRA, the amount of the conversion from your Traditional IRA to your Roth IRA will be treated as a distribution for income tax purposes, and is includible in your gross income (except for any nondeductible contributions). Although the conversion amount generally is included in income, the 10 percent early distribution penalty tax will not apply to conversions from a Traditional IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent early distribution penalty tax. If you are age 70½ or older, you must remove your required minimum distribution before converting your Traditional IRA.

3. **SIMPLE IRA to Roth IRA Conversions.** You are eligible to convert all or any portion of your existing SIMPLE IRA into your Roth IRA, provided two years have passed since you first participated in a SIMPLE IRA plan sponsored by your employer. The amount of the conversion from your SIMPLE IRA to your Roth IRA will be treated as a distribution for income tax purposes and is includible in your gross income. Although the conversion amount generally is included in income, the 10 percent early distribution penalty tax will not apply to conversions from a SIMPLE IRA to a Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent early distribution penalty tax. If you are age 70½ or older you must remove your required minimum distribution before converting your SIMPLE IRA.
4. **Rollovers of Roth Elective Deferrals.** Roth elective deferrals distributed from a 401(k) cash or deferred arrangement, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan, may be rolled into your Roth IRA.
5. **Employer-Sponsored Retirement Plan to Roth IRA Rollovers.** Assets distributed from your qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, 457(b) eligible governmental deferred compensation plan, or federal Thrift Savings Plan may be rolled over to your Roth IRA. If you are a spouse, nonspouse, or qualified trust beneficiary who has inherited a qualified retirement plan, 403(a) annuity, 403(b) tax-sheltered annuity, or 457(b) eligible governmental deferred compensation plan, you may be eligible to directly roll over the assets to an inherited Roth IRA. The inherited Roth IRA is subject to the beneficiary distribution requirements. Although the rollover amount generally is included in income, the 10 percent early distribution penalty tax will not apply to rollovers from eligible employer-sponsored retirement plans to a Roth IRA or inherited Roth IRA, regardless of whether you qualify for any exceptions to the 10 percent early distribution penalty tax.
6. **Beneficiary Rollovers From 401(k), 403(b), or 457(b) Eligible Governmental Plans Containing Roth Elective Deferrals.** If you are a spouse, nonspouse, or qualified trust beneficiary of a deceased 401(k), 403(b), or 457(b) eligible governmental deferred compensation plan participant who had made Roth elective deferrals to the plan, you may directly roll over the Roth elective deferrals and their earnings to an inherited Roth IRA. The Roth IRA must be maintained as an inherited Roth IRA, subject to the beneficiary distribution requirements.
7. **Rollovers of Military Death Benefits.** If you receive or have received a military death gratuity or a payment from the SGLI program, you may be able to roll over the proceeds to your Roth IRA. The rollover contribution amount is limited to the sum of the death benefits or SGLI payment received, less any such amount that was rolled over to a Coverdell education savings account. Proceeds must be rolled over within one year of receipt of the gratuity or SGLI payment for deaths occurring on or after June 17, 2008. Any amount that is rolled over under this provision is considered nontaxable basis in your Roth IRA.
8. **Qualified HSA Funding Distribution.** If you are eligible to contribute to a health savings account (HSA), you may be eligible to take a one-time tax-free qualified HSA funding distribution from your Roth IRA and directly deposit it to your HSA. The amount of the qualified HSA funding distribution may not exceed the maximum HSA contribution limit in effect for the type of high deductible health plan coverage (i.e., single or family coverage) that you have at the time of the deposit, and counts toward your HSA contribution limit for that year. For further detailed information, you may wish to obtain IRS Publication 969, *Health Savings Accounts and Other Tax-Favored Health Plans*.
9. **Rollovers of Settlement Payments From Bankrupt Airlines.** If you are a qualified airline employee who has received an airline settlement payment from a commercial airline carrier under the approval of an order of a federal bankruptcy court in a case filed after September 11, 2001, and before January 1, 2007, or on November 29, 2011, you are allowed to roll over any portion of the proceeds into your Roth IRA within 180 days after receipt of such amount. To obtain more information on this type of rollover, you may wish to visit the IRS website at www.irs.gov.
10. **Rollovers of Exxon Valdez Settlement Payments.** If you receive a qualified settlement payment from Exxon Valdez litigation, you may roll over the amount of the settlement, up to \$100,000, reduced by the amount of any qualified Exxon Valdez settlement income previously contributed to a Traditional or Roth IRA or eligible retirement plan in prior taxable years. You will have until your tax return due date (not including extensions) for the year in which the qualified settlement income is received to make the rollover contribution. To obtain more information on this type of rollover, you may wish to visit the IRS website at www.irs.gov.
11. **Written Election.** At the time you make a rollover or conversion to a Roth IRA, you must designate in writing to the custodian your election to treat that contribution as a rollover or conversion. Once made, the election is irrevocable.
- K. **Transfer Due to Divorce** – If all or any part of your Roth IRA is awarded to your spouse or former spouse in a divorce or legal separation proceeding, the amount so awarded will be treated as the spouse's Roth IRA (and may be transferred pursuant to a court-approved divorce decree or written legal separation agreement to another Roth IRA of your spouse), and will not be considered a taxable distribution to you. A transfer is a tax-free direct movement of cash and/or property from one Roth IRA to another.
- L. **Recharacterizations** – If you make a contribution to a Traditional IRA and later recharacterize either all or a portion of the original contribution to a Roth IRA along with net income attributable, you may elect to treat the original contribution as having been made to the Roth IRA. The same methodology applies when recharacterizing a contribution from a Roth IRA to a Traditional IRA. If you have converted from a Traditional IRA to a Roth IRA you may recharacterize the conversion along with net income attributable back to a Traditional IRA. If you have rolled over an eligible employer-sponsored retirement plan to a Roth IRA, you may recharacterize the rollover amount along with net income attributable to a Traditional IRA. The deadline for completing a recharacterization is your tax filing deadline (including any extensions) for the year for which the original contribution was made or conversion or rollover completed.

LIMITATIONS AND RESTRICTIONS

- A. **Spousal Roth IRA** – If you are married and have compensation, you may contribute to a Roth IRA established for the benefit of your spouse, regardless of whether or not your spouse has compensation. You must file a joint income tax return for the year for which the contribution is made.

The amount you may contribute to your Roth IRA and your spouse's Roth IRA is the lesser of 100 percent of your combined eligible compensation or \$11,000 for 2014 and 2015. This amount may be increased with cost-of-living adjustments each year. However, you may not contribute more than the individual contribution limit to each Roth IRA. Your contribution may be further limited if your MAGI falls within the minimum and maximum thresholds.

If your spouse is age 50 or older by the close of the taxable year, and is otherwise eligible, you may make an additional contribution to your spouse's Roth IRA. The maximum additional contribution is \$1,000 per year.

- B. **Gift Tax** – Transfers of your Roth IRA assets to a beneficiary made during your life and at your request may be subject to federal gift tax under IRC Sec. 2501.
- C. **Special Tax Treatment** – Capital gains treatment and 10-year income averaging authorized by IRC Sec. 402 do not apply to Roth IRA distributions.
- D. **Prohibited Transactions** – If you or your beneficiary engage in a prohibited transaction with your Roth IRA, as described in IRC Sec. 4975, your Roth IRA will lose its tax-deferred or tax-exempt status, and you generally must include the value of the earnings in your account in your gross income for that taxable year. The following transactions are examples of prohibited transactions with your Roth IRA. (1) Taking a loan from your Roth IRA (2) Buying property for personal use (present or future) with Roth IRA assets (3) Receiving certain bonuses or premiums because of your Roth IRA.
- E. **Pledging** – If you pledge any portion of your Roth IRA as collateral for a loan, the amount so pledged will be treated as a distribution and may be included in your gross income for that year.
- F. **Disaster Related Relief** – If you qualify (for example, you sustained an economic loss due to, or are otherwise considered affected by, certain IRS designated disasters), you may be eligible for favorable tax treatment on distributions, rollovers, and other transactions involving your Roth IRA. Qualified disaster relief may include penalty-tax free early distributions made during specified timeframes for each disaster, the ability to include distributions in your gross income ratably over multiple years, the ability to roll over distributions to an eligible retirement plan without regard to the 60-day rollover rule, and more. For additional information on specific disasters, including a complete listing of disaster areas, qualification requirements for relief, and allowable disaster-related Roth IRA transactions, you may wish to obtain IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, from the IRS or refer to the IRS website at www.irs.gov.

OTHER

- A. **IRS Plan Approval** – The agreement used to establish this Roth IRA has been approved by the IRS. The IRS approval is a determination only as to form. It is not an endorsement of the plan in operation or of the investments offered.
- B. **Additional Information** – For further information on Roth IRAs, you may wish to obtain IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*, or Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, by calling 1-800-TAX-FORM, or by visiting www.irs.gov on the Internet.
- C. **Important Information About Procedures for Opening a New Account** – To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial organizations to obtain, verify, and record information that identifies each person who opens an account. Therefore, when you open a Roth IRA, you are required to provide your name, residential address, date of birth, and identification number. We may require other information that will allow us to identify you.
- D. **Qualified Reservist Distributions** – If you are an eligible qualified reservist who has taken penalty-free qualified reservist distributions from your Roth IRA or retirement plan, you may recontribute those amounts to a Roth IRA generally within a two-year period from your date of return.
- E. **Qualified Charitable Distributions** – If you are age 70½ or older, you may take tax-free Roth IRA distributions of up to \$100,000 per year and have these distributions paid directly to certain charitable organizations. Special tax rules may apply. This provision applies to distributions during tax years 2012 and 2013 and may apply to subsequent years if extended by Congress. For further detailed information and effective dates you may wish to obtain IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*, from the IRS or refer to the IRS website at www.irs.gov.

OFFERING CIRCULAR

5-Year Fixed Rate Renewable Certificates
 30-Month Fixed Rate Renewable Certificates
 Variable Rate Certificates
 Demand Investment Accounts
 Individual Retirement Account (“IRA”) Certificates
 Health Savings Account (“HSA”) Certificates
 403(b) Certificates

National Covenant Properties
 8303 West Higgins Road
 Chicago, IL 60631
 Telephone: (800) 366-6273
 E-Mail: ncp@covchurch.org

NATIONAL COVENANT PROPERTIES
Up to \$125,000,000

National Covenant Properties (“NCP”) was established in 1970 by The Evangelical Covenant Church (also referred to herein as the “Church”) as an Illinois not for profit corporation for the purpose of making loans to member churches and other affiliated entities of the Church Denomination. The principal source of funds to make these loans is the sale of debt securities by NCP to members of, contributors to, participants in and affiliates of the Church and its member churches. The debt securities offered pursuant to this Offering Circular are the 5-Year Fixed Rate Renewable Certificates, the 30-Month Fixed Rate Renewable Certificates, the Variable Rate Certificates, the Demand Investment Accounts, the Individual Retirement Account (“IRA”) Certificates, the Health Savings Account (“HSA”) Certificates and the 403(b) Certificates, and are more fully described herein under the heading “DESCRIPTION OF THE CERTIFICATES.”

<u>Certificate</u>	<u>Minimum Investment*</u>	<u>Term; Interest Rate</u>
5-Year Fixed Rate Renewable Certificates	\$500	5 years from the date of issuance; Interest rate fixed for term
30-Month Fixed Rate Renewable Certificates	\$500	30 months from the date of issuance; Interest rate fixed for term
Variable Rate Certificates	\$500	No stated term (Demand + 30 days written notice); Interest rate adjustable each June 30 th and December 31 st
Demand Investment Accounts	\$ 50	No stated term (Demand + 30 days written notice); Interest rate adjustable each June 30 th and December 31 st
Individual Retirement Account (“IRA”) Certificates	\$ 10	No stated term; Interest rate adjustable each June 30 th and December 31 st
Health Savings Account (“HSA”) Certificates	\$ 10	No stated term; Interest rate adjustable each June 30 th and December 31 st
403(b) Certificates	\$ 10	No stated term; Interest rate adjustable each June 30 th and December 31 st

*NCP reserves the right to accept smaller investments.

CURRENT INTEREST RATES ON ALL CERTIFICATES ARE AS INDICATED IN THE ATTACHED APPENDIX “B” OR MAY BE OBTAINED BY CALLING 800-366-6273.

All of the foregoing are hereinafter collectively referred to as the “Certificates” and may be singularly referred to as a “Certificate.” The Certificates are issued on a parity basis, and are not secured by a pledge of collateral. As such, NCP has a general obligation to repay the Certificates.

This Offering Circular does not constitute an offering in any jurisdiction where such would be deemed illegal. No person has been authorized to give any information or make any representation, other than those contained herein, in connection with the offering of the Certificates, and if given or made, such information or representation must not be relied on. Neither the delivery nor the sale of any Certificate implies that there has been no change in the matters described herein since the date hereof.

This offering is not underwritten and no commissions or discounts will be paid. NCP will receive 100% of the proceeds from the sale of the Certificates, and will bear all of the expenses incurred in making this offering. It is estimated that such offering expenses shall not exceed 1% of the offering. The aggregate amount of the Certificates being offered may be sold in any one or more of the offered categories and represents the amount to be sold nationwide. The amount currently anticipated is not a limitation on Certificates which may be offered.

There is no quoted market for the Certificates, and NCP does not intend to effectuate a secondary market for the Certificates.

THIS OFFERING INVOLVES CERTAIN RISKS WHICH ARE MORE FULLY DISCLOSED AT PAGE 8 ET SEQ. OF THIS OFFERING CIRCULAR.

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

THE CERTIFICATES 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 THE CERTIFICATES HAS NOT BEEN FILED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. THE CERTIFICATES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT DETERMINED THE ACCURACY, ADEQUACY, TRUTHFULNESS, OR COMPLETENESS OF THIS DOCUMENT AND HAVE NOT PASSED UPON THE MERIT OR VALUE OF THE CERTIFICATES 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 NCP AND THE TERMS OF THE OFFERING, INCLUDING THE DISCLOSURE, MERITS AND RISKS INVOLVED.

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

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 BY NCP.

THE OFFER AND SALE OF CERTIFICATES IS LIMITED TO PERSONS OR ENTITIES WHO ARE, PRIOR TO RECEIPT OF THIS OFFERING CIRCULAR, (A) MEMBERS OF, CONTRIBUTORS TO, OR PARTICIPANTS IN THE EVANGELICAL COVENANT CHURCH, INCLUDING ANY PROGRAM, ACTIVITY OR ORGANIZATION WHICH CONSTITUTES A PART OF THE EVANGELICAL COVENANT CHURCH, ITS CONFERENCES OR ITS MEMBER CHURCHES; (B) AFFILIATES OF THE EVANGELICAL COVENANT CHURCH, INCLUDING ANY PROGRAM, ACTIVITY OR ORGANIZATION WHICH CONSTITUTES A PART OF THE EVANGELICAL COVENANT CHURCH, ITS CONFERENCES OR ITS MEMBER CHURCHES; (C) BENEFICIARIES OR SUCCESSORS IN INTEREST TO THOSE LISTED IN (A) OR (B) ABOVE; (D) RELATIVES OF INDIVIDUALS LISTED IN (A) ABOVE; (E) TRUSTS OR ACCOUNTS CONTROLLED BY OR FOR THE BENEFIT OF INDIVIDUALS LISTED IN (A) ABOVE; AND (F) OTHER PERSONS PURCHASING CERTIFICATES FOR THE BENEFIT OR ON BEHALF OF INDIVIDUALS LISTED IN (A) ABOVE (COLLECTIVELY, “INVESTORS”).

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

THE DATE OF THIS OFFERING CIRCULAR IS MARCH 1, 2016

ALABAMA RESIDENTS

THESE CERTIFICATES ARE OFFERED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 37(h) (SEE SECTION 8-6-10, CODE OF ALABAMA 1975) OF THE ALABAMA SECURITIES ACT AND SECTION 3(a)(4) OF THE SECURITIES ACT OF 1933. A REGISTRATION STATEMENT RELATING TO THESE CERTIFICATES HAS NOT BEEN FILED WITH THE ALABAMA SECURITIES COMMISSION OR WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. NEITHER THE ALABAMA SECURITIES COMMISSION NOR THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION HAS PASSED UPON THE VALUE OF THESE CERTIFICATES, MADE ANY RECOMMENDATIONS AS TO THEIR PURCHASE, APPROVED OR DISAPPROVED THE OFFERING, OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

ARKANSAS RESIDENTS

THE SECURITIES REPRESENTED BY THESE CERTIFICATES HAVE BEEN EXECUTED PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933 AND THE ARKANSAS SECURITIES ACT IN RELIANCE UPON THE REPRESENTATION OF THE HOLDER THEREOF THAT THE SAME ARE ACQUIRED FOR INVESTMENT PURPOSES. THESE CERTIFICATES MAY ACCORDINGLY NOT BE RESOLD OR OTHERWISE TRANSFERRED OR CONVEYED IN THE ABSENCE OF REGISTRATION OF THE SAME PURSUANT TO THE APPLICABLE SECURITIES LAWS OR UNLESS AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER IS FIRST OBTAINED THAT SUCH IS NOT THEN NECESSARY. ANY TRANSFER CONTRARY HERETO IS VOID.

CALIFORNIA RESIDENTS

CALIFORNIA RESIDENTS WILL ONLY BE ABLE TO RENEW THE 5-YEAR FIXED RATE RENEWABLE CERTIFICATES, THE 30-MONTH FIXED RATE RENEWABLE CERTIFICATES, OR REINVEST IN OTHER NCP CERTIFICATES IF NCP HOLDS A CURRENT REGISTRATION PERMIT IN CALIFORNIA. THERE CAN BE NO ASSURANCE THAT SUCH PERMIT WILL BE ISSUED IN THE FUTURE. IT IS UNLAWFUL TO CONSUMMATE A SALE OR TRANSFER OF THESE CERTIFICATES, OR ANY INTEREST THEREIN, OR TO RECEIVE ANY CONSIDERATION THEREFORE, WITHOUT THE PRIOR WRITTEN CONSENT OF THE DEPARTMENT OF BUSINESS OVERSIGHT OF THE STATE OF CALIFORNIA, EXCEPT AS PERMITTED IN THE DEPARTMENT'S RULES. IN ADDITION, IN THE EVENT THE CALIFORNIA HOLDER OF A 5-YEAR FIXED RATE RENEWABLE CERTIFICATE OR A 30-MONTH FIXED RATE RENEWABLE CERTIFICATE INADVERTENTLY ALLOWS A CERTIFICATE TO AUTOMATICALLY RENEW AT MATURITY, NCP WILL HONOR REQUESTS FROM THAT HOLDER TO REDEEM THE CERTIFICATE AT ANY TIME AFTER AUTOMATIC RENEWAL. THE TRANSFERABILITY OF THE CERTIFICATES IS LIMITED BY SECTION 25130 OF THE CALIFORNIA CORPORATIONS CODE. HOWEVER, EXEMPTIONS TO SUCH LIMITATIONS ON TRANSFERABILITY MAY BE AVAILABLE.

FLORIDA RESIDENTS

THE CERTIFICATES HAVE NOT BEEN REGISTERED WITH THE FLORIDA DEPARTMENT OF BANKING AND FINANCE, DIVISION OF SECURITIES, BEING EXEMPT SECURITIES PURSUANT TO SECTION 517-051(9) OF THE FLORIDA SECURITIES AND INVESTOR PROTECTION ACT.

GEORGIA RESIDENTS

EACH GEORGIA HOLDER OF A 5-YEAR FIXED RATE RENEWABLE CERTIFICATE OR A 30-MONTH FIXED RATE RENEWABLE CERTIFICATE (HEREIN A "FIXED RATE CERTIFICATE") WILL BE PROVIDED WITH WRITTEN NOTIFICATION OF THE FIXED RATE CERTIFICATE'S MATURITY AT LEAST THIRTY (30) DAYS PRIOR TO THE DATE OF MATURITY, ALONG WITH NCP'S MOST RECENT OFFERING CIRCULAR AND THE PROPOSED INTEREST RATE FOR ANY RENEWAL TERM. IF A GEORGIA HOLDER OF A MATURING FIXED RATE CERTIFICATE DOES NOT INDICATE HIS OR HER INTENT TO RENEW BY WRITTEN NOTICE, THE FIXED RATE CERTIFICATE WILL BE REDEEMED AND THE PRINCIPAL AND INTEREST THEREON WILL BE PAID TO THE HOLDER THEREOF.

INDIANA RESIDENTS

RESIDENTS OF INDIANA WHO PURCHASE A 5-YEAR FIXED RATE RENEWABLE CERTIFICATE OR A 30-MONTH FIXED RATE RENEWABLE CERTIFICATE SHALL HAVE NINETY (90) DAYS FROM THE EFFECTIVE DATE OF ANY AUTOMATIC RENEWAL TERM TO REDEEM SUCH CERTIFICATE, WITH NO ASSESSMENT OF FINES OR PENALTIES.

KENTUCKY RESIDENTS

THESE SECURITIES ARE ISSUED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION KRS 292.400(9) OF THE KENTUCKY SECURITIES ACT.

LOUISIANA

NCP DOES NOT OFFER OR SELL VARIABLE RATE CERTIFICATES OR DEMAND INVESTMENT ACCOUNTS IN THE STATE OF LOUISIANA.

NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED, NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED CONSTITUTES A FINDING BY THE DIRECTOR THAT ANY DOCUMENT FILED UNDER CHAPTER 421 NHRSA IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE DIRECTOR HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS SECTION.

NORTH CAROLINA

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUE AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. 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 OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

OHIO

IN THE EVENT THE OHIO HOLDER OF A 5-YEAR FIXED RATE RENEWABLE CERTIFICATE OR A 30-MONTH FIXED RATE RENEWABLE CERTIFICATE (HEREIN A "FIXED RATE CERTIFICATE") INADVERTENTLY ALLOWS SUCH CERTIFICATE TO AUTOMATICALLY RENEW AT MATURITY, NCP WILL HONOR REQUESTS FROM THAT HOLDER TO REDEEM THE FIXED RATE CERTIFICATE AFTER AUTOMATIC RENEWAL.

OREGON

IN THE EVENT THE OREGON HOLDER OF A 5-YEAR FIXED RATE RENEWABLE CERTIFICATE OR A 30-MONTH FIXED RATE RENEWABLE CERTIFICATE (HEREIN A "FIXED RATE CERTIFICATE") INADVERTENTLY ALLOWS SUCH FIXED RATE CERTIFICATE TO RENEW AT MATURITY, NCP WILL HONOR REQUESTS FROM THAT HOLDER TO REDEEM THE FIXED RATE CERTIFICATE AFTER AUTOMATIC RENEWAL.

SOUTH CAROLINA

NCP DOES NOT OFFER OR SELL VARIABLE RATE CERTIFICATES, DEMAND INVESTMENT ACCOUNTS, INDIVIDUAL RETIREMENT ACCOUNT ("IRA") CERTIFICATES, HEALTH SAVINGS ACCOUNT ("HSA") CERTIFICATES, OR 403(b) CERTIFICATES IN THE STATE OF SOUTH CAROLINA.

THE FAILURE OF NCP TO PAY EITHER PRINCIPAL OR INTEREST ON A CERTIFICATE WHEN DUE SHALL CONSTITUTE AN EVENT OF DEFAULT. THE DEFAULT IN PAYMENT OF PRINCIPAL OR INTEREST ON ANY ONE CERTIFICATE OF AN ISSUE SOLD TO AN INVESTOR IN SOUTH CAROLINA SHALL CONSTITUTE A DEFAULT OF THE ENTIRE ISSUE SOLD TO INVESTORS IN SOUTH CAROLINA.

SOUTH CAROLINA HOLDERS OF CERTIFICATES IN DEFAULT SHALL HAVE THE RIGHT TO A LIST OF NAMES AND ADDRESSES OF ALL SOUTH CAROLINA HOLDERS OF THAT ISSUE OF CERTIFICATES IN DEFAULT. SOUTH CAROLINA HOLDERS OF CERTIFICATES IN DEFAULT OF NOT LESS THAN TWENTY-FIVE PERCENT (25%) IN PRINCIPAL AMOUNT OF THE OUTSTANDING ISSUE IN DEFAULT SHALL HAVE THE RIGHT TO DECLARE SUCH ENTIRE ISSUE DUE AND PAYABLE.

TENNESSEE

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. 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 OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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

WASHINGTON RESIDENTS

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

FORWARD-LOOKING STATEMENTS

This Offering Circular includes “forward-looking statements” within the meaning of the federal and state securities laws. Statements about NCP 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 NCP believes that the expectations reflected in its forward-looking statements are reasonable, NCP cannot assure any Investor that NCP’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 NCP’s forward-looking statements as predictions of future events or circumstances. A number of factors could cause NCP’s actual results, performance, achievements or industry results to be materially different from any future results, performance or achievements expressed or implied by NCP’s forward-looking statements. These factors include, but are not limited to: changes in economic conditions in general and in NCP’s business; changes in prevailing interest rates and the availability and terms of financing to fund NCP’s business; changes in NCP’s capital expenditure plans; and other factors discussed in this Offering Circular. Given these uncertainties, prospective Investors should not rely on NCP’s forward-looking statements in making an investment decision. NCP disclaims any obligation to update Investors on any factors that may affect the likelihood of realization of NCP’s expectations. All written and oral forward-looking statements attributable to NCP, 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 NCP 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 NCP’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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TABLE OF CONTENTS

SUMMARY OF THE OFFERING	7
RISK FACTORS	8
HISTORY AND OPERATIONS	12
The Church	12
USE OF PROCEEDS	13
FINANCING AND OPERATING ACTIVITIES	13
Outstanding Certificates	14
Senior Secured Indebtedness	15
Sales and Redemptions of Certificates in Fiscal 2015.....	15
Outstanding Loans.....	16
DESCRIPTION OF NCP'S LENDING ACTIVITIES	16
Loan Processing.....	16
Congregational Investment Generation Requirement.....	17
Loan Policies	17
Terms and Conditions of Loans – Long-Term Loans and Short-Term Loans	18
SWAPS.....	18
Covenant Development Corporation	18
Loan Delinquencies	19
Loan Loss Reserve.....	19
Lines of Credit.....	19
Church Fees	20
Compensation for Real Estate Services	21
INVESTING ACTIVITIES	21
Investments.....	21
Investment Policies.....	22
Investment Management.....	23
SELECTED FINANCIAL DATA.....	23
Summary of Operations and Selected Balances	23
Management Discussion of Financial Operations	24
Management Discussion of Financial Benchmarks.....	25
DESCRIPTION OF THE CERTIFICATES.....	27
Description of 5-Year Fixed Rate Renewable Certificates.....	27
Description of 30-Month Fixed Rate Renewable Certificates.....	28
Description of Variable Rate Certificates.....	29
Description of Demand Investment Accounts.....	30
Description of Individual Retirement Account (“IRA”) Certificates	30
Description of Health Savings Account (“HSA”) Certificates	31
Description of 403(b) Certificates	31
METHOD OF SALE.....	32
UNDERWRITING	32

TAX MATTERS	33
LITIGATION	33
MANAGEMENT AND GOVERNANCE	33
Officers of NCP	33
Directors of NCP	34
Remuneration.....	36
Conflicts of Interest	36
EVENTS OF DEFAULT.....	36
REDEMPTION DUE TO A PERSONAL EMERGENCY	37
INDEPENDENT AUDITORS	37
LEGAL OPINIONS	37
INVESTOR REPORTS.....	37
AUDITED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT.....	38
DEFINITIONS	Appendix A
CURRENT INTEREST RATES AND INTEREST PAYMENT DATES.....	Appendix B

SUMMARY OF THE OFFERING

This summary is provided for the convenience of potential Investors. It must be read in conjunction with, and is qualified in its entirety by, the more complete statements made in this Offering Circular, including the Audited Financial Statements. In particular, potential Investors are urged to review the discussion under the heading “RISK FACTORS”. Certain capitalized terms referred to herein are defined elsewhere in this Offering Circular and in Appendix “A” entitled “Definitions”.

1. **Issuer.** NCP, the issuer of the Certificates, is an Illinois not for profit corporation affiliated with The Evangelical Covenant Church (the “Church”). NCP’s principal offices are located in Chicago, Illinois. See “HISTORY AND OPERATIONS” herein.
2. **Description of the Certificates.** NCP is offering unsecured debt securities in the form of Certificates at various interest rates, which are not secured by particular loans to specific borrowers. The Certificates offered are: the 5-Year Fixed Rate Renewable Certificates, which mature five (5) years from the date of issuance and earn a fixed rate of interest; the 30-Month Fixed Rate Renewable Certificates, which mature thirty (30) months from the date of issuance and earn a fixed rate of interest; the Variable Rate Certificates, which may be redeemed by the holder upon thirty (30) days demand and earn a variable rate of interest; the Demand Investment Accounts, which may be redeemed by the holder upon thirty (30) days demand and earn a variable rate of interest; the Individual Retirement Account (“IRA”) Certificates, which are available for investment in the holder’s NCP Individual Retirement Account and earn a variable rate of interest; the Health Savings Account (“HSA”) Certificates, which are available for investment in the holder’s NCP Health Savings Account and earn a variable rate of interest; and the 403(b) Certificates, which are available for investment in the holder’s NCP 403(b) retirement account and earn a variable rate of interest. As of December 31, 2015, NCP’s total Certificates payable equaled \$325.7 million. See “DESCRIPTION OF THE CERTIFICATES” herein.
3. **Risk Factors.** The purchase of the Certificates is subject to certain described risks. See “RISK FACTORS” herein, which Investors are urged to read carefully.
4. **Use of Proceeds.** The proceeds of the offering will be added to NCP’s general funds and primarily used to make loans to member churches to be used for the construction, renovation and acquisition of church facilities and real estate and other mission related activities of Church-affiliated entities. Loans are also made to other entities affiliated with the Church. See “USE OF PROCEEDS” herein.
5. **Loans.** NCP makes both short-term (demand) loans and long-term loans to member churches, conferences and other Denominational entities. NCP also has fourteen(14) lines of credit with member churches, conferences and other Denominational entities. As of December 31, 2015, NCP’s total loans outstanding equaled \$286.0 million (net of allowance for doubtful accounts). See “DESCRIPTION OF NCP’S LENDING ACTIVITIES” herein.
6. **Management.** The affairs of NCP are managed by its Board of Directors that meets at least on a quarterly basis. The day-to-day operations of NCP are the responsibility of its executive officers. The voting members of the Executive Board of the Church are the corporate members of NCP who elect the directors of NCP. See “MANAGEMENT AND GOVERNANCE” herein.

7. **Summary of Financial Information.** The following is a summary of selected financial information for NCP for each of the last five (5) most recent fiscal years (dollars in thousands):

	2015	2014	2013	2012	2011
Cash, cash equivalents and readily marketable securities:	\$ 91,866	\$ 103,167	\$ 97,171	\$ 102,061	\$ 82,017
Total loans receivable (net of allowance):	286,037	270,691	267,823	268,877	264,456
Amount of unsecured loans receivable*:	-0-	2,250	2,997	4,250	3,500
Percent of unsecured loans receivable:	-0-	0.83%	1.12%	1.58%	1.32%
Loan Delinquencies as a percentage of loans receivable:	0.26%	-0-	-0-	1.00%	1.02%
Total Assets:	386,345	383,566	376,539	380,786	356,206
Total Certificates payable:	325,692	325,283	321,900	326,941	306,393
Amount of Certificates redeemed:	58,913	56,979	62,659	36,878	35,750
Unrestricted Net Assets:	60,473	58,128	54,474	53,601	49,688
Change in Unrestricted Net Assets:	2,346	3,654	873	3,913	3,272
Source of balances: Derived from the Audited Financial Statements of the fiscal year indicated.					
Source of percentages: general accounting records of NCP as of the fiscal year indicated.					
*Source of Amount of unsecured loans receivable: general accounting records of NCP as of the fiscal year indicated.					

RISK FACTORS

The purchase of the Certificates offered herein involves a number of risks. In addition to the factors set forth elsewhere in this Offering Circular, prospective Investors should carefully consider the following risk factors.

1. *Unsecured Obligations.* The Certificates are unsecured obligations of NCP. Interest and principal repayments on the Certificates, therefore, are dependent solely upon the financial condition of NCP.
2. *No Sinking Fund or Trust Indenture.* No sinking fund or trust indenture has been nor will be established by NCP to provide for the repayment of the Certificates. There is no assurance that funds will be available at the time of a Certificate's maturity.
3. *Maturing Certificates.* A portion of NCP's previously issued 5-Year Fixed Rate Renewable Certificates have a remaining maturity of less than one year. The aggregate annual principal maturities of the 5-Year Fixed Rate Renewable Certificates outstanding as of December 31, 2015, and maturing in calendar year 2016 equal \$26.6 million. It has been NCP's historical experience that more than 50% of its maturing 5-Year Fixed Rate Renewable Certificates have been reinvested at maturity. If demands for payment of NCP's Certificates upon maturity exceed prior experience or the availability of funds from other sources are not as anticipated, an adverse effect on NCP's financial condition could result. The holder of a Certificate may find that at the maturity of that Certificate NCP does not have sufficient funds to pay the Certificate. There is no assurance that purchasers of additional securities will be available at the time of a Certificate's maturity. Prior to March 1, 2015, NCP did not offer or sell the 30-Month Fixed Rate Renewable Certificates. Thus, information regarding reinvestment of the 30-Month Fixed Rate Renewable Certificates is unavailable at this time. In calendar year 2015, NCP sold \$5.3 million in 30-Month Fixed Rate Renewable Certificates, \$1.2 million of which mature in calendar year 2017, and \$4.1 million of which mature in calendar year 2018.
4. *Certificate Repayment Dependent upon Loan Repayments.* NCP is dependent upon timely repayment of its loans to member churches, conferences and other Denominational entities in order to assure repayment of a Certificate and payment of interest thereon. Thus, the ability of NCP to meet its interest and principal payments on the

Certificates is dependent upon the future operations of the member churches, conferences and other Denominational entities to which NCP has made loans.

5. *Certificate Repayment Dependent upon Contributions to Borrowers.* A loan by NCP to a member church is not personally guaranteed by any individual constituents of that church. The timely repayment of such a loan is dependent upon the ongoing success of that member church. In most instances, the ability of member churches to repay loans will be dependent upon contributions they receive from their constituents. Due to the recent national economic downturn, member churches may experience a reduction in these contributions, which may negatively impact member churches' ability to repay their loans in accordance with the current loan terms.
6. *Accommodation of Loan Defaults.* NCP originated loans are made exclusively to member churches, conferences and other Denominational entities, some of which may not be qualified to secure commercial financing from an institutional lender. In view of the relationship of NCP with its borrowers, NCP may be willing in certain instances to accommodate late payments, extend the term of a loan, or otherwise modify the loan terms. Significant increases in Loan Delinquencies or accommodations made by NCP with certain borrowers could impair the ability of NCP to pay its Certificates when due.
7. *Marketability of Loan Collateral.* The church property and improvements given as collateral for loans may be a single purpose building and in the event of a default on a loan made by NCP, the marketability of a specific church property and improvements thereon may be limited. In addition, fluctuations in property values may result in a loan loss to NCP in the event of a foreclosure action. NCP has no current policy which requires an appraisal on the church's real property as part of the lending criteria.
8. *Loan Delinquencies.* As of December 31, 2015, of the 312 loans outstanding, NCP had one loan that was delinquent as to payment of principal and/or interest. See "DESCRIPTION OF NCP'S LENDING ACTIVITIES – Loan Delinquencies" herein.
9. *Loan Marketability.* There is no quoted market for NCP's loans to member churches, conferences, and other Denominational entities, and there is no intent by NCP to create such a market. Therefore, NCP may not have the ability to sell such loans to third parties, which could affect NCP's liquidity.
10. *Limited Class of Investors.* The offer and sale of Certificates is limited to persons or entities who are, prior to receipt of this Offering Circular, (a) members of, contributors to, or participants in The Evangelical Covenant Church, including any program, activity or organization which constitutes a part of The Evangelical Covenant Church, its conferences or its member churches; (b) affiliates of The Evangelical Covenant Church, including any program, activity or organization which constitutes a part of The Evangelical Covenant Church, its conferences or its member churches; (c) beneficiaries or successors in interest to those listed in (a) or (b) above; (d) relatives of individuals listed in (a) above; (e) trusts or accounts controlled by or for the benefit of individuals listed in (a) above; and (f) other persons purchasing Certificates for the benefit or on behalf of individuals listed in (a) above (collectively, "Investors").
11. *NCP's Certificate Redemption Rights.* A Certificate may be redeemed by NCP at any time prior to its maturity upon sixty (60) days written notice to the holder thereof, and payment of principal and accrued interest to the date of redemption.
12. *Larger Loans to Newer Churches.* Loans from NCP to member churches in recent years have tended to be larger in dollar amounts per church than in previous years and a number have been made to churches that are relatively new in their corporate existence. Thus, these larger loans to newer churches carry an additional risk factor as to the church's ability to service the debt obligation. A significant change in economic conditions, such as the recent national economic downturn, could negatively impact the income of a member church since its principal

source of revenue is from contributions of its constituency. Additionally larger loans with greater cash outlay could impede NCP's future ability to diversify its loan portfolio.

13. *Loans to Denominational Entities.* Loans from NCP to Denominational entities (which are defined herein as those entities affiliated with the Church which are not member churches or conferences) are likely to be larger in dollar amounts, and are not always secured by a pledge of real or personal property. Moreover, many of the Denominational entities borrowing from NCP have other obligations that encumber the real or personal property owned by those entities. These larger loans with greater cash outlay could impede NCP's future ability to diversify its loan portfolio.
14. *Senior Secured Indebtedness.* NCP has the authority to create and issue new debt securities from time to time at such rates and on such terms as its Board of Directors deems advisable, including debt securities which may have priority as to repayment senior to the Certificates. If such debt securities are secured by assets of NCP in such manner as to have a priority claim against any of the assets of NCP over and above the Certificates, the amount of such debt securities shall not exceed ten percent (10%) of the tangible assets of NCP. See "FINANCING AND OPERATING ACTIVITIES – Senior Secured Indebtedness" herein.
15. *Change in NCP's Operations.* NCP is not obligated to continue offering debt securities, or to continue its current operations or its existence as a not for profit entity. Any such change in operations could have a negative impact on its ability to pay the Certificates.
16. *Interest on Certificates Taxed as Ordinary Income; Imputed Interest.* The purchase of Certificates is not a donation to a religious organization and is not eligible for any tax deduction as a charitable contribution. Interest paid or accrued on the Certificates, other than investments held in an Individual Retirement Account, a Health Savings Account, or a 403(b) Certificate will be taxable as ordinary income to an Investor. If interest paid on a Certificate is below market interest, the Internal Revenue Service may impute interest income up to the market interest level. See "TAX MATTERS" herein.
17. *NCP's Liability for Church-Related Claims.* NCP is a separate not for profit corporation, and therefore not generally liable for claims against the Church and its other affiliated entities. However, it is possible that claims may be made against NCP in relation to matters associated with the Church or its other affiliates.
18. *Securities Registration.* Although securities issued by charitable organizations are exempt from the registration requirements of the Securities Act of 1933, as amended, and from the registration provisions of some state securities laws, in other states securities such as the Certificates issued by NCP must be registered prior to their offer or sale. In certain states in which the securities are exempt, an issuer is required to file certain documentation with the state securities authority in order to obtain such exemption. Additionally, in certain states the agents engaged in sales activities and/or the issuer itself must be registered pursuant to agent/salesperson and broker/dealer regulations. NCP has taken the necessary steps to file the required documentation in accordance with such securities laws in the states in which it offers and sells securities. However, changes in the various state securities laws in which NCP does business may impose costly and overly burdensome restraints upon the activities of NCP, such that NCP would be unable to continue its current operations.
19. *Certificates Are NOT Insured.* NCP's Certificates are not insured by any governmental agency or private insurance company, including the FDIC, or any state bank, insurance fund, or any other governmental agency.
20. *Church Not Obligated.* NCP is solely responsible with respect to its obligations under the Certificates, and neither the Church nor any member churches, conferences, or Denominational entities, other than NCP, are responsible for any obligations under the Certificates, including without limitation payment of interest and repayment of principal for Certificates at maturity.

21. *Redemption Due to Personal Emergency.* NCP cannot assure that it will honor requests for early redemption of a Certificate due to personal or financial emergency of the holder, and it is not obligated to do so. See “REDEMPTION DUE TO A PERSONAL EMERGENCY” herein.
22. *Market Risk.* NCP’s liquid assets invested in readily marketable securities are subject to various market risks which may result in losses if market values of investments decline.
23. *Geographic Concentration of Loans.* There are risks related to geographic concentration of loans to member churches and other Church-affiliated entities within a limited region, such that changes in economic conditions of that region could affect the ability of the member churches and other Church-affiliated entities, as a group, to repay the loans. As of December 31, 2015, NCP’s total loans outstanding equals \$288.1 million. Although NCP has no geographic restrictions on where loans are made other than where member churches or other Church-affiliated entities are located, aggregate loans equal to or in excess of 6.87% of total balances of loans outstanding are located in the following states:

State	Loans Outstanding	% of Total	# of Loans
California	\$ 55,648,345	19.32%	49
Illinois	\$ 54,561,218	18.94%	56
Washington	\$ 30,709,242	10.66%	28
Colorado	\$ 22,763,503	7.90%	15
Minnesota	\$ 19,806,266	6.87%	23
Total	\$ 183,488,574	63.69%	171
Total Loans	\$ 288,101,722	100.00%	312

24. *Environmental Matters.* There is potential environmental liability associated with the loans made by NCP. With respect to loans involving the acquisition of property, NCP requires environmental surveys. However, if environmental contamination is found on or near the property securing a loan at any time after NCP makes such loan, NCP’s security for the loan could be impaired. In addition, changes in environmental regulations could require the borrower to incur substantial unexpected expenses to comply with such regulations, and this could impair both the value of the collateral and the borrower’s ability to repay the loan.
25. *Construction Loan Risks.* In such cases where a loan is used for construction, the borrower may be subject to risks associated with such construction, which could have an adverse effect on a borrower’s ability to repay its loan. Construction risks may include, without limitation, cost overruns, completion delays, errors and omissions in construction documents, lack of payment and performance bonds or completion bonds, all of which may have a significant impact on the cost of the new construction, or the borrower’s ability to complete the project in accordance with the construction documents.
26. *Liquidity.* NCP’s 5-Year Fixed Rate Renewable Certificates mature five (5) years from the date of issuance. NCP utilizes Certificate proceeds, in part, to fund loans that typically mature in twenty (20) years. NCP is dependent in part upon its loan repayments to fund redemption of its renewable Certificates. In addition, new Certificate sales are necessary to fund repayment of maturing Certificates. For the years ending December 2011 through December 2015, 82%, 89%, 77%, 62%, and 83%, respectively, of NCP’s 5-Year Fixed Rate Certificates were renewed at maturity for an additional term. However, there are no assurances that this level or any other level of renewal will continue. In the event that NCP experiences unusually adverse fluctuations in (i) loan repayments; (ii) new Certificate sales; and/or (iii) Certificate renewals, such fluctuations could have an adverse impact on NCP’s ability to repay maturing Certificates. NCP’s 30-Month Fixed Rate Renewable Certificates

mature thirty (30) months from the date of issuance, but have not been offered or sold prior to March 1, 2015. Thus, information regarding renewal of 30-Month Fixed Rate Renewable Certificates is unavailable at this time.

27. *Non-transferability of Certificates.* No public market exists for the Certificates and none will develop. Therefore, the transferability of the Certificates is limited and restricted.

HISTORY AND OPERATIONS

National Covenant Properties (also referred to herein as “NCP”) was incorporated as an Illinois not for profit corporation in 1970 for the purpose of making loans to member churches, conferences and other Denominational entities of The Evangelical Covenant Church (also referred to herein as the “Church”). Loans to a member church are typically secured by a mortgage or deed of trust and assignment of leases and rents on that church’s real property and a security agreement on that church’s personal property. Loans to other Denominational entities of the Church may or may not be secured by a pledge of collateral. The principal source of funds utilized to make these loans is the sale of debt securities by NCP to members of, contributors to, participants in and affiliates of the Church. The Certificates are not secured by particular loans to specific borrowers.

During 2007 and thereafter, NCP expanded its operations to provide a broader range of real estate services to the Church, Denominational entities, conferences and member churches. These services had previously been provided by staff employed by the Church.

NCP currently has \$325.7 million in Certificates outstanding to Investors residing in fifty (50) states and the District of Columbia. The principal place of business of NCP is located at 8303 West Higgins Road, Chicago, Illinois 60631. Its telephone number is (800) 366-6273.

NCP is recognized as exempt from Federal income taxation pursuant to Section 501(a) of the Internal Revenue Code of 1986, as amended, (the “Code”) as an organization described in Section 501(c)(3) of the Code as part of the group exemption ruling issued by the Internal Revenue Service to The Evangelical Covenant Church.

The Church

The Church was founded in 1885 for the purpose of promulgating evangelistic Christianity. The Church is an Illinois not for profit corporation, which has been issued a group exemption from Federal income taxation pursuant to Section 501(a) of the Code, as amended, as an organization described in Section 501(c)(3) of the Code. The corporate membership of the Church is comprised of approximately 788 member churches located throughout the United States and Canada, with approximately 132,800 individual members. The member churches are separate not for profit corporations or religious associations of the state or province in which they are located whose membership is composed of the individual members of the church congregation. The member churches are represented at the Church’s Annual Meeting by delegates from each member church. These churches are administratively organized into regional conferences, the number and boundaries of which conferences are determined by the Church.

Each regional conference is incorporated as a not for profit corporation whose membership is composed of the member churches belonging to that specific conference. Conferences own various organizations therein located, such as conference centers and Bible camps.

The Executive Board of the Church coordinates and implements the common mission of the Church as developed and articulated by the Annual Meeting of the Church, the Church’s Constitution and Bylaws and the Strategic Planning Process of the Church. Denominational ministries of the Church are more fully described at the Church’s website, which can be found at www.covchurch.org.

NCP's Audited Financial Statements contained herein indicate the dollar amounts outstanding in loans receivable attributable to regional conferences and member churches, and also to other Denominational entities (as set forth in the Audited Financial Statements under the caption "Loans Receivable").

THE CHURCH, AND ITS RELATED BOARDS AND MINISTRIES, MEMBER CHURCHES, CONFERENCES AND THE DENOMINATIONAL ENTITIES (EXCLUSIVE OF NCP) DO NOT GUARANTEE NCP'S OBLIGATION TO REPAY THE CERTIFICATES ISSUED PURSUANT TO THIS OFFERING CIRCULAR.

USE OF PROCEEDS

Proceeds received from the sale of the Certificates will be added to NCP's general funds. The general funds are used to make loans to member churches, conferences and other Denominational entities, primarily for the purpose of financing capital improvement projects, including the purchase of facilities, the construction of new church facilities, and the remodeling of existing churches, and financing other mission related activities of Denominational entities. See "HISTORY AND OPERATIONS" herein. The proceeds may, however, be invested in certain marketable securities or investment accounts pending their utilization for NCP's activities. See "INVESTING ACTIVITIES – Investments" herein. As of the date of this Offering Circular, NCP has not committed all of the proceeds to be derived from this offering for any specific projects. In the normal course of its operations however, NCP is continuously making loan commitments based upon the availability of funds. The proceeds of this offering may be utilized to fund some portion of these loan commitments.

No underwriters are participating in this offering, and no underwriting discounts or commissions will be paid in connection with the sale of the Certificates. Sales of the Certificates will be effected solely through certain executive officers of NCP. All expenses of this offering, including printing, mailing, attorneys' fees, accountants' fees, and securities registration fees, will be borne by NCP, and are not expected to exceed one percent (1%) of the offering.

NCP's sale of its Certificates is primarily related to its need for loan funds and its desire to maintain reasonable liquidity. NCP does not presently require, nor does it anticipate that it will require, any proceeds of this offering to meet the interest payments on its outstanding Certificates. However, it is anticipated that NCP may be required to utilize a portion of the proceeds of this offering along with its existing general funds to meet principal repayments on its outstanding Certificates. See "FINANCING AND OPERATING ACTIVITIES" herein.

FINANCING AND OPERATING ACTIVITIES

The repayment of principal and the payment of interest on the Certificates are dependent upon NCP's financial condition. The primary source of funds available to NCP includes receipts from the sale of new Certificates and from cash flow generated from NCP's outstanding loans and other investments. In prior years, NCP has been able to meet principal and interest requirements on its outstanding Certificates from its available funds, and there has never been a default in NCP's payment of principal or interest to an Investor. NCP has a fiduciary obligation to repay the Certificates, and NCP will not intentionally take any action that jeopardizes its ability to repay the Certificates. The following information describes NCP's sources of funds and financial condition.

Outstanding Certificates

NCP's primary means of obtaining the funds necessary to conduct its operations is through the receipt of proceeds from the sale of its Certificates. The following is a description of NCP's outstanding Certificates as of December 31, 2015, 2014, and 2013 (all interest rates stated are as of December 31, 2015):

	2015	2014	2013
IRA Certificates (3.00%)	\$ 116,081,352	\$ 115,926,056	\$ 114,671,899
HSA Certificates (3.00%)	\$ 1,702,086	\$ 1,564,900	\$ 1,368,360
Variable Rate Certificates (1.50%)	\$ 30,579,304	\$ 33,714,896	\$ 37,825,913
Demand Investment Accounts (1.50%)	\$ 54,931,752	\$ 50,108,070	\$ 43,844,726
5-Year Fixed Rate Renewable Certificates (3.00%-4.5%):			
4.50% (due 2013, 2014)			\$ 19,509,335
4.25% (due 2013-2015)		\$ 19,744,982	\$ 20,872,261
4.00% (due 2015)		\$ 8,047,319	\$ 8,006,361
3.75% (due 2016)	\$ 18,124,601	\$ 22,230,957	\$ 22,059,070
3.50% (due 2016, 2017)	\$ 21,304,295	\$ 21,217,160	\$ 21,800,202
3.00% (due 2017, 2018, 2019, 2020)	\$ 77,666,529	\$ 52,728,894	\$ 31,941,854
*30-Month Fixed Rate Renewable Certificates			
2.25% (due 2017, 2018)	\$ 5,301,938		
TOTAL	\$ 325,691,857	\$ 325,283,234	\$ 321,899,981
Source: Derived from the general accounting records of NCP as of the fiscal year indicated.			
*30-Month Fixed Rate Renewable Certificates were not offered prior to March 1, 2015.			

IRA Certificates, HSA Certificates, and 403(b) Certificates (which were not sold prior to March 1, 2016) are carried in the accounts at original issue price plus accrued interest. Interest on all other Certificates is either accrued or paid currently at the holder's option.

Aggregate annual principal maturities of the 5-Year and 30-Month Fixed Rate Renewable Certificates outstanding as of December 31, 2015, are as follows:

Year	Principal Maturities	
	5-Year Fixed Rate	30-Month Fixed Rate
2016	\$ 26,586,656	
2017	\$ 22,566,350	\$ 1,242,679
2018	\$ 21,105,024	\$ 4,059,259
2019	\$ 20,778,640	
2020	\$ 26,058,755	
Total	\$ 117,095,425	\$ 5,301,938
Total Fixed Rate Maturities: \$122,397,363		

Source: Derived from the Audited Financial Statements included in this Offering Circular.
Note: 30-Month Fixed Rate Renewable Certificates were not offered prior to March 1, 2015.

Senior Secured Indebtedness

The Certificates are issued on a parity basis with one another and with respect to all other NCP debt securities previously issued and outstanding, and are a general obligation of NCP. Senior Secured Indebtedness is any debt or debt securities incurred or issued by NCP and secured by assets of NCP in such manner as to have a priority claim against any of the assets of NCP over and above the Certificates. To date, NCP has not incurred or issued any Senior Secured Indebtedness, and has a Board policy that it will not incur or issue Senior Secured Indebtedness in an amount which exceeds ten percent (10%) of the tangible assets of NCP.

Sales and Redemptions of Certificates in Fiscal 2015

In the year ended December 31, 2015, NCP sold \$85.6 million of its Certificates, which is comprised of the following:

	Amount
New Sales:	
5-Year Fixed Rate Renewable Certificates	\$ 5,060,337
*30-Month Fixed Rate Renewable Certificates	\$ 2,263,813
Variable Rate Certificates	\$ 3,025,158
Demand Investment Accounts	\$ 41,231,792
IRA Certificates	\$ 7,399,133
HSA Certificates	\$ 340,951
Reinvestment:	
5-Year Fixed Rate Renewable Certificates	\$ 26,292,174
Total Sales	\$ 85,613,358
Source: general accounting records of NCP.	
*30-Month Fixed Rate Renewable Certificates were not offered prior to March 1, 2015.	

In the year ended December 31, 2015, outstanding Certificates in the total amount of \$58.9 million were redeemed by the holders thereof as follows:

	Amount
Redemptions:	
5-Year Fixed Rate Renewable Certificates	\$ 9,549,221
*30-Month Fixed Rate Renewable Certificates	\$ 32,545
Variable Rate Certificates	\$ 5,249,263
Demand Investment Accounts	\$ 36,471,556
IRA Certificates	\$ 7,406,210
HSA Certificates	\$ 203,765
Total Redemptions	\$ 58,912,560
Source: general accounting records of NCP.	
*30-Month Fixed Rate Renewable Certificates were not offered prior to March 1, 2015.	

Outstanding Loans

At December 31, 2015, and 2014, NCP's outstanding loans (net of allowance for doubtful accounts) are as follows:

	Years Ended December 31	
	2015	2014
Regional conferences, member churches and their affiliated subsidiaries:		
Demand Loans	\$ 43,144,291	\$ 32,864,668
Long-Term Loans	\$ 216,331,605	\$ 210,873,657
Other Denominational entities:		
Demand Loans	\$ 21,468,733	\$ 21,236,769
Long-Term Loans	\$ 7,157,093	\$ 7,524,995
TOTAL ALL LOANS	\$ 288,101,722	\$ 272,500,089
Allowance for Doubtful Accounts	\$ (2,065,050)	\$ (1,809,500)
NET TOTAL ALL LOANS	\$ 286,036,672	\$ 270,690,589
Source: Derived from the Audited Financial Statements included in this Offering Circular.		

As of December 31, 2015, the allowance for doubtful accounts against outstanding loans is \$2.1 million. NCP's loans are generally secured by a mortgage or deed of trust on the borrower's real property, assignment of rents and a security agreement on the borrower's personal property, and are often also guaranteed by conferences, affiliates of the Church, the Church or third party churches, with the exception of the lines of credit as more fully described at "DESCRIPTION OF NCP'S LENDING ACTIVITIES – Lines of Credit" herein. The total loan principal due or scheduled for rate adjustment in the next five (5) years is set forth in Note 3 of the Audited Financial Statements herein.

DESCRIPTION OF NCP'S LENDING ACTIVITIES

Loan Processing

The general lending activities of NCP include the making of secured and unsecured loans to member churches, conferences and Denominational entities for the primary purpose of providing financing for (i) the acquisition and construction of new church facilities, (ii) renovations to existing church facilities, and (iii) other mission related activities of Denominational entities. Typically, a prospective borrower furnishes a loan application to NCP. The application is reviewed by NCP's staff, and the loan is then presented to and considered by NCP's Board of Directors (the "Board") for action. Factors to be considered by the Board with respect to a particular loan include the value and nature of the specific collateral (if any) to be pledged, the previous financial record of the borrower, potential for growth, the borrower's ability to service the debt, and the existence or non-existence of a Church and/or conference guarantee, if applicable. NCP has 312 loans outstanding as of December 31, 2015, 294 of which are to member churches and regional conferences outstanding in the gross amount of \$259.5 million, and 18 of which are to other Denominational entities outstanding in the gross amount of \$28.6 million.

Congregational Investment Generation Requirement

In a typical loan to a member church, the member church is required to generate investments in NCP's 5-Year Fixed Rate Renewable Certificates, 30-Month Fixed Rate Renewable Certificates, IRA Certificates or HSA Certificates through members and other eligible participants of that particular church congregation in an amount that is no less than fifteen percent (15%) of the principal amount of the loan (the "Congregational Investment Generation Requirement"). Since the inception of NCP, the Congregational Investment Generation Requirement has been reduced from two-thirds (2/3rds) of the loan amount to the current fifteen (15%) percent. NCP reserves the right to modify the Congregational Investment Generation Requirement, in its sole discretion, from time to time. In particular, NCP has been willing to accept less than fifteen percent (15%) of the principal amount of the loan as the Congregational Investment Generation Requirement, but the interest rate of the loan is then adjusted upward according to a formula which determines the amount of the interest rate adjustment based upon actual NCP investments generated by the borrowing church.

Loan Policies

A typical loan is evidenced by a loan agreement with applicable note obligation and, in the case of a loan to a member church, generally secured by a mortgage or deed of trust and assignment of rents on the church's real property and a security agreement on the church's personal property. As of December 31, 2015, 100% of NCP's outstanding loans were secured by real or personal property or a guaranty by a third party. (NCP has issued a line of credit to the Church which is unsecured and further described in this section under "Lines of Credit" and, as of December 31, 2015, there are no amounts drawn under such line.) In the case of such a mortgage or deed of trust, a mortgagee's title insurance policy is issued to NCP by a recognized commercial title insurance company. In the case of new construction, the policy of NCP is to require loan proceeds to be funded through a construction money lender's escrow where such is feasible. A payment reserve escrow equal to three (3) months of the principal and interest payment is generally required for loans which are guaranteed by the Church and/or a conference. NCP has no current policy which requires an appraisal on the church's real property as part of the lending criteria. An acceptable environmental site assessment is required for all loans involving the acquisition of property.

The President of NCP can approve loans in principal amounts of \$50,000 or less, provided there is the security of a first mortgage or deed of trust and the borrower is a member church. The President can also approve unsecured loans to member churches in principal amounts of \$20,000 or less. In addition, the President of NCP is authorized to approve loans secured by NCP Certificates in an amount of \$250,000 or less, provided the borrower is affiliated with the Church (which includes member churches, regional conferences, camps, colleges, and other Denominational entities).

The policy of NCP is to limit the principal amount of loans to a single borrower to not more than 25.0% of NCP's Net Assets (fund balance) as of January 1 of each year for borrowers owning and operating a single site. If the borrower has multiple sites that are not contiguous, the lending limit will not exceed 40.0% of NCP's Net Assets (fund balance) as of January 1 of each year. There are no borrowers with loans having a balance outstanding as of December 31, 2015, in excess of these amounts.

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Terms and Conditions of Loans – Long-Term Loans and Short-Term Loans

The material terms and conditions under which typical long-term loans to member churches, conferences and Denominational entities are made are as follows (note that exceptions thereto can be made at the discretion of the Board):

Term:	20 years
Amortization:	20 years
Rate Adjustment:	Every 3 years
Interest Rate:	Set by the Board (Rates on outstanding loans range from 3.50% to 7.50% and the weighted average interest rate was 4.40% at December 31, 2015.)

A typical short-term loan from NCP to member churches, conferences and Denominational entities is due on fifteen (15) days demand from NCP and is at an interest rate equal to the prime interest rate as published from time to time in the *Wall Street Journal* “Money Rates” section, and for all new demand loans, the prime interest rate, but not less than four percent (4%). Older short-term loans may not have the interest rate floor of four percent (4%).

Other conditions to the granting of a loan by NCP may include the existence of adequate collateral and a negative pledge (prohibition) with respect to future borrowing. Loans to churches which receive financial support from the church’s regional conference require the guarantee of that conference and of the Church. Generally, the loan to value ratio required by NCP is eighty percent (80%). However, in consideration of NCP’s acceptance of a higher loan to value ratio, NCP may require a conference and/or the Church acting as a guarantor of a loan to execute a collateral pledge of that guarantor’s NCP 5-Year Fixed Rate Renewable Certificate(s) as additional collateral; or that the loan be secured by an Equity Pledge Fund according to the terms thereof.

In general, NCP’s long-term and short-term loans are secured by a first mortgage or deed of trust and assignment of rents on the borrower’s real property and a security agreement on borrower’s personal property. However, NCP may grant a loan under limited circumstances that is not secured, or that is subordinate to a prior loan.

SWAPS

Over the last few years, several borrowers have requested that NCP offer longer interest rate locks than what NCP has historically offered. To facilitate these requests, NCP has entered into several interest rate SWAP options with third parties to hedge the added interest rate risk. Borrowers that receive the longer fixed interest rate terms pay for the fees related to the SWAP options, or pay a premium interest rate to offset such fees. To date, NCP has entered into four of these interest rate SWAP option transactions with expiration dates ranging from 2016-2019. For more information regarding SWAPS, see Note 7 of the Audited Financial Statements under the heading “Investment in SWAP Options”.

Covenant Development Corporation

Covenant Development Corporation (“CDC”), an affiliate of the Church, was established for the purposes of assisting member churches with the acquisition of church related property. In furtherance of this purposes, CDC typically purchased real estate with the intent to sell to a member church the portion of the acquired real estate parcel required by the member church for its facility and the balance of the real estate parcel to one or more third parties. Funding for CDC’s purchase, development and subdivision of such properties was largely made possible through loans with NCP. As a result of the national economic downturn from 2007 through 2010, which negatively impacted

the value and liquidity of real estate as a whole, CDC was unable to sell its properties as anticipated. In December 2010, CDC transferred all of its assets to National Covenant Properties Land Company, LLC (“NCP Land Company”), an Illinois limited liability company wholly owned by NCP, in return for NCP’s release of all CDC obligations owed to NCP. These assets were booked by NCP at the then current appraised values less anticipated costs of sale. The properties transferred to NCP Land Company were located in Buffalo, Minnesota; Castle Rock, Colorado; Poway, California; Renton, Washington; Sacramento, California; and Westminster, Colorado.

Portions of the property located in Castle Rock, Colorado, Westminster, Colorado and Buffalo, Minnesota have been sold. NCP continues to actively market the remaining properties for sale, and as of December 31, 2015 has accepted purchase contracts, subject to various contingencies, for the Sacramento, California property and a portion of the Buffalo, Minnesota property.

From the year 2010 through December 31, 2015, NCP has reduced the net asset carried value on remaining properties from \$9,010,991 to \$6,610,712, and expected sales proceeds from the sale of properties currently under contract and scheduled to close in 2016 is \$3,568,845. NCP has budgeted \$275,000 in 2016 for development and marketing costs associated with the remaining properties.

Loan Delinquencies

NCP characterizes loans as delinquent when payment of principal or interest thereon are delinquent ninety (90) days or more. As of December 31, 2015, of the 312 loans outstanding, there was one (1) loan, whose aggregate principal balance represented 0.2% of total assets and 0.3% of loans receivable of NCP, which was delinquent in the amount of \$741,697 for a period of ninety (90) days or more. The principal and interest outstanding on that loan, in the aggregate, was \$741,697 as of December 31, 2015. As of December 31, 2015, a loan loss reserve of \$2.1 million was established.

As of December 31, 2014, of the 307 loans outstanding, there were zero loans which were delinquent.

As of December 31, 2013, of the 300 loans outstanding, there were zero loans which were delinquent.

NCP reserves all rights of discretion in deciding whether or not to pursue legal remedies in connection with a default on a loan by any of its borrowing member churches, conferences or other Denominational entities.

Loan Loss Reserve

As of December 31, 2015, NCP has established a loan loss reserve of \$2,065,050. (See Note 3 of the Audited Financial Statements.)

Lines of Credit

NCP also issues lines of credit in certain circumstances to member churches, conferences and to certain Denominational entities in order to meet defined cash flow needs of the borrower. A line of credit is a commitment by NCP to lend money to a particular borrower up to the maximum amount allowed on the line. Such lines of credit may be unsecured or secured with collateral owned by the borrower as noted below. Lines of credit are reviewed annually by NCP’s Board, which determines the applicable rates and terms for each line. As of December 31, 2015, all such lines of credit bear interest at the prime rate as published from time to time in the *Wall Street Journal* “Money Rates” section (many with a floor of 4.0%), and are typically due on demand.

As of December 31, 2015, NCP had outstanding balances on lines of credit to a member church, conferences, the Church and Denominational entities in the following amounts:

		Amount	Amount Drawn
	Borrower	Approved	12/31/2015
***	Adelbrook, Cromwell, CT	500,000	500,000
***	Adelbrook, Cromwell, CT	500,000	500,000
***	Bayside, Granite Bay, CA (Campus Expansion)	1,500,000	-0-
***	Bayside, Granite Bay, CA (Mission Expansion)	1,500,000	-0-
***	Covenant Enabling Residences of IL, Chicago, IL	100,000	36,740
***	Covenant Heights Conf. Center	100,000	-0-
***	CRC Holdings One, LLC	4,000,000	4,000,000
***	Missions Springs Camps and Conference Center	1,000,000	-0-
***	Alaska Christian College	175,000	-0-
*	The Evangelical Covenant Church	3,500,000	-0-
**	Central Conference	200,000	-0-
**	CHET, Bell Gardens, CA	100,000	24,560
***	Alpine Camp and Conference Center	500,000	200,000
***	Arctic Broadcasting	125,000	110,906
	*Unsecured		
	**Secured by borrower's NCP Certificates		
	***Secured by real estate		
	Source: general accounting records of NCP.		

Church Fees

The Church assesses fees to certain of its affiliates, including NCP, in order that these entities share such Church expenses as are associated with the organization and management of the Church, consulting services and other services which help provide the “customer” base which the affiliated entities serve. NCP has been advised by the Church that the fee for 2016 will be \$463,615.

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The total fees NCP has paid to the Church over the last five years are as follows:

Year	Church Fees
2015	\$ 452,272
2014	\$ 454,479
2013	\$ 423,078
2012	\$ 388,221
2011	\$ 341,616
Total	\$ 2,059,666

Source: Derived from the Audited Financial Statements for the fiscal year indicated.

NCP also reimburses an affiliate of the Church for expenses incurred by the Church resulting from NCP's tenancy in the Church's headquarters, such as rent and payment of a prorata portion of utilities and other operating expenses of the Church headquarters building. In calendar year 2015, NCP paid an affiliate of the Church \$55,557 for rent at its current location of 8303 West Higgins Road, Chicago, Illinois.

Compensation for Real Estate Services

During 2007, and thereafter, NCP expanded its operations to provide a broader range of real estate services to the Church, Denominational entities, conferences and member churches. These services had previously been provided by staff employed by the Church. In 2015, NCP received \$150,000 in compensation from the Church and entities affiliated with the Church for the provision of these services.

INVESTING ACTIVITIES

Investments

In accordance with its policy of maintaining reasonable liquidity, NCP maintains a portion of its assets pending utilization in other investments which consist of governmental agencies' securities, investment grade corporate bonds and institutional bond funds. At December 31, 2015, these investments had a market value of \$85.3 million. The following sets forth the market value, investment type and amount held in such investments as of the periods ending December 31, 2015, December 31, 2014, and December 31, 2013:

(See Chart on following page.)

Year	Market Value	Type of Investment	Amount	Total Investments
2015	\$ 85,283,895	Government Agencies' Securities	\$ 18,115,863	21.2%
		Investment Grade Corporate Bonds	\$ 50,338,714	59.0%
		Institutional and Convertible Bond Funds	\$ 15,179,063	17.8%
		Equity Funds	\$ 1,535,927	1.8%
		Swap Option	\$ 114,328	0.1%
2014	\$ 101,165,353	Government Agencies' Securities	\$ 46,355,049	45.8%
		Investment Grade Corporate Bonds	\$ 40,414,955	39.9%
		Institutional and Convertible Bond Funds	\$ 14,259,653	14.1%
		Swap Option	\$ 135,696	0.1%
2013	\$ 88,129,579	Government Agencies' Securities	\$ 29,512,286	33.5%
		Investment Grade Corporate Bonds	\$ 48,503,030	55.0%
		Institutional Bond Funds	\$ 10,021,443	11.4%
		Swap Option	\$ 92,820	0.1%
Source: Derived from the Audited Financial Statements for the fiscal year indicated.				

None of these investments have been collateralized as of the date hereof. For more information concerning NCP's investments, see the Audited Statements of Cash Flows in the Audited Financial Statements herein.

Investment Policies

NCP is authorized to establish investment accounts, to purchase and sell investment grade corporate bonds, to purchase and sell investments in agencies of the U.S. government which have maturities of ten (10) years or less, to purchase and sell investments in money market funds and mutual funds listed on a weekly basis in the *Wall Street Journal*, and to establish checking accounts. Investments in the U.S. government agencies and investment grade corporate bonds shall be purchased with the intention of holding them until maturity; however, earlier redemptions will be permitted in order to meet NCP's cash flow requirements, or to rebalance the portfolio. NCP's investments generally have an average maturity of between thirty (30) and sixty (60) months, and investments maturing beyond the (10) years are prohibited. NCP's Investment Committee may authorize longer maturities based upon NCP's projected cash flow requirements.

It is NCP's policy to maintain liquid reserve funds in an amount not less than eight percent (8%) of the aggregate principal balance of NCP's outstanding Certificates at any given time. As of December 31, 2015, liquid reserve funds in the amount of \$91.9 million, representing 28.2% of the aggregate principal balance of outstanding Certificates as of the same date, were maintained in compliance with this policy. These reserve funds are not placed in a third-party escrow or otherwise restricted.

Investment in equities cannot exceed fifteen percent (15%) of NCP's prior year fiscal year end Net Assets, and of this fifteen percent (15%), the President or Chief Financial Officer of NCP are authorized to invest up to (i) fifty percent (50%) in Large-Cap, (ii) fifty percent (50%) in Mid-Cap/Small-Cap and (iii) fifteen percent (15%) in International Equity Funds. Any equity investments in Sector or Alternative Funds require the approval of NCP's Investment Committee as to the nature of the fund and the amount thereof. Investments in either index funds or managed funds are permitted.

Investment Management

All funds and investments of NCP are kept separate and apart from all other funds and investments of the Church and its affiliates. Management of NCP's investments is provided by NCP's Board of Directors. NCP does not currently retain an investment advisor.

SELECTED FINANCIAL DATA

Summary of Operations and Selected Balances

The following Summary of Operations and Selected Balances for the five years ended December 31, 2015, have been derived from the Audited Financial Statements for the fiscal year indicated. THIS SUMMARY SHOULD BE READ IN CONJUNCTION WITH THE AUDITED FINANCIAL STATEMENTS AND NOTES THERETO FOR THE THREE YEARS ENDED DECEMBER 31, 2015, INCLUDED ELSEWHERE IN THIS OFFERING CIRCULAR.

Summary of Operations and Selected Balances					
(Dollars in Thousands)					
Years Ended December 31					
	2015	2014	2013	2012	2011
Total Revenue	\$ 15,468	\$ 15,236	\$ 14,041	\$ 15,980	\$ 16,799
Interest Expense	8,789	9,222	9,513	9,990	10,901
Net Revenue	6,679	6,014	4,528	5,990	5,898
General & Administrative Expenses	2,728	2,667	2,481	2,298	2,197
Bad Debt Expense	256	0	0	346	83
Amortization of Swap	140	94	85	85	71
Increase in Net Assets-Unrestricted	3,555 ⁽¹⁾	3,252 ⁽¹⁾	1,962 ⁽¹⁾	3,261 ⁽¹⁾	3,546 ⁽¹⁾
Source: Derived from the Audited Financial Statements for the fiscal year indicated.					
⁽¹⁾ Before unrealized appreciation (depreciation) on investments of (\$1,209) in 2015, \$402 in 2014, (\$1,089) in 2013, \$653 in 2012, and (\$274) in 2011.					

(See Chart on following page.)

	Summary of Operations and Selected Balances				
	(Dollars in Thousands)				
	Years Ended December 31				
	2015	2014	2013	2012	2011
Total Assets	\$ 386,345	\$ 383,566	\$ 376,539	\$ 380,787	\$ 356,206
Cash and Investments	91,866	103,167	97,171	102,061	82,016
Loans (net of allowance for doubtful accounts)	286,037	270,691	267,823	268,877	264,456
Total Liabilities	325,872	325,438	322,066	327,186	306,518
Certificates - IRA	116,081	115,926	114,672	112,862	111,147
Certificates - HSA	1,702	1,565	1,368	1,139	925
Certificates - Demand Investment Accounts	54,932	50,108	43,845	49,295	32,933
*Certificates - Other	152,977	157,684	162,015	163,645	161,388
Net Assets-Unrestricted	60,473	58,128	54,474	53,601	49,687
Source: Derived from the Audited Financial Statements for the fiscal year indicated.					
*30-Month Fixed Rate Renewable Certificates were not offered prior to March 1, 2015.					

Historically, the amount of principal and interest payments on NCP's loans receivable has been sufficient to pay all operating expenses, including interest expenses and principal maturing on its outstanding debt securities. NCP anticipates that it will continue to experience similar results in the future.

Management Discussion of Financial Operations

2015 Total assets of NCP for 2015 increased from \$383.6 million to \$386.3 million, an increase of 0.7%. Total liabilities at December 31 were \$325.9 million. Revenues for 2015 were \$15.5 million, expenses were \$11.9 million and the increase in Net Assets before unrealized depreciation on investments of \$1.2 million was \$3.6 million. The total increase in Net Assets for the year was \$2.3 million. Individual Retirement Account balances at December 31 totaled \$116.1 million. Long-term loans made in 2015 were \$23.3 million which were disbursed to 40 projects.

2014 Total assets of NCP for 2014 increased from \$376.5 million to \$383.6 million, an increase of 1.9%. Total liabilities at December 31 were \$325.4 million. Revenues for 2014 were \$15.2 million, expenses were \$12.0 million and the increase in Net Assets before unrealized appreciation on investments of \$0.4 million was \$3.3 million. The total increase in Net Assets for the year was \$3.7 million. Individual Retirement Account balances at December 31 totaled \$115.9 million. Long-term loans made in 2014 were \$9.0 million which were disbursed to 41 different projects.

2013 Total assets of NCP for 2013 decreased from \$380.8 million to \$376.5 million, a decrease of 1.1%. Total liabilities at December 31 were \$322.1 million. Revenues for 2013 were \$14.0 million, expenses were \$12.1 million, and the increase in Net Assets before unrealized depreciation on investments of \$1.1 million was \$2.0 million. The total increase in Net Assets for the year was \$0.9 million. Individual Retirement Account balances at December 31 totaled \$114.7 million. Long-term loans made in 2013 were \$11.1 million, which were disbursed to 67 different projects.

2012 Total assets of NCP for 2012 increased from \$356.2 million to \$380.8 million, an increase of 6.9%. Total liabilities at December 31 were \$327.2 million. Revenues for 2012 were \$16.0 million, expenses were \$12.7 million, and the increase in Net Assets before unrealized appreciation on investments of \$0.7 million was \$3.3 million. The

total increase in Net Assets for the year was \$3.9 million. Individual Retirement Account balances at December 31 totaled \$112.8 million. Long-term loans made in 2012 were \$27.4 million, which were disbursed to 55 different projects.

2011 Total assets of NCP for 2011 increased from \$340.9 million to \$356.2 million, an increase of 4.5%. Total liabilities at December 31 were \$306.5 million. Revenues for 2011 were \$16.8 million, expenses were \$13.2 million, and the increase in Net Assets before unrealized depreciation on investments of \$0.3 million was \$3.5 million. The total increase in Net Assets for the year was \$3.3 million. Individual Retirement Account balances at December 31 totaled \$111.1 million. Long-term loans made in 2011 were \$25.7 million, which were disbursed to 53 different projects.

Management Discussion of Financial Benchmarks

The following financial information highlights the results of key financial benchmarks measured by NCP as of the periods indicated.

Capital Adequacy – At December 31, 2015, NCP’s Net Assets were equal to 15.6% of Total Assets.

Liquidity – At December 31, 2015, NCP’s liquidity status is as calculated below:

Cash and Cash Equivalents	\$	6,582,281
Investments (market)	\$	85,283,894
Total	\$	91,866,175
Investment Certificates Payable	\$	325,691,857
Liquidity Status		28.21%
Source of balances: Derived from the Audited Financial Statements included in this Offering Circular.		

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Cash Flow – Cash Flow performance examines the amount of available cash as compared to cash redemptions of Certificates. The calculation of the cash coverage ratio for the most recent three fiscal years is as follows:

	2015	2014	2013
Cash flow from operations	\$ 3,880,372	\$ 3,106,542	\$ 3,882,944
Liquid assets at beginning of year:			
Cash and Cash Equivalents	2,001,346	9,041,690	4,558,371
Investments	101,165,354	88,129,579	97,503,089
Loan principal repayments	27,750,331	19,796,575	25,336,733
Loan advances	(43,351,964)	(22,664,505)	(26,191,794)
Investment Certificate sales (Excludes Denominational Sales)	30,429,446	36,403,034	39,138,310
Denominational Redemptions over Investments	246,122	85,892	11,061,886
*Lines of Credit:			
Used	-0-	-0-	-0-
Available	-0-	1,000,000	2,000,000
Cash Available (A)	122,121,007	134,898,807	157,289,539
Investment Certificate Redemptions (B) (Includes accrued interest)	(58,912,561)	(56,978,820)	(62,658,622)
Net Cash Available	63,208,446	77,919,987	94,630,917
Coverage Ratio (A/B)	2.1:1	2.4:1	2.5:1
Source of balances: Derived from the Audited Financial Statements for the fiscal year indicated; Coverage Ratio was recalculated using information from the Audited Financial Statements.			
*NCP did not renew this line of credit which expired June 30, 2015.			

Loan Delinquencies – At December 31, 2015, NCP had one loan with principal and/or interest payments that were delinquent 90 days or more, as more fully disclosed under the heading “DESCRIPTION OF NCP’S LENDING ACTIVITIES – Loan Delinquencies” herein.

Profitability – NCP has achieved positive operating income and a positive change in total unrestricted Net Assets for five out of the five most recent fiscal years as demonstrated by the following table:

	(Dollars in Thousands)				
	2015	2014	2013	2012	2011
Net Revenue:	\$ 6,679	\$ 6,014	\$ 4,528	\$ 5,990	\$ 5,898
Change in Unrestricted Net Assets:	\$ 2,346	\$ 3,654	\$ 873	\$ 3,913	\$ 3,272
Source of balances: Derived from the Audited Financial Statements for the fiscal year indicated.					

DESCRIPTION OF THE CERTIFICATES

The debt securities offered pursuant to this Offering Circular consist of seven (7) types of Certificates: 5-Year Fixed Rate Renewable Certificates, 30-Month Fixed Rate Renewable Certificates, Variable Rate Certificates, Demand Investment Accounts, IRA Certificates (available only for investment through an Individual Retirement Account for which Covenant Trust Company serves as custodian); HSA Certificates (available only for investment through a Health Savings Account for which Covenant Trust Company serves as custodian); and 403(b) Certificates (available only for investment through a 403(b) retirement account for which Covenant Trust Company serves as custodian). Historically, NCP has issued debt securities of various forms and types.

At the present time, NCP plans to issue only the seven (7) types of Certificates described herein. NCP reserves the right to create other securities at such rates and on such terms as the Board of Directors of NCP deems appropriate. No other such issuance of debt securities is currently contemplated. The Certificates are issued on a parity basis with respect to all other certificates previously issued and outstanding, and are a general obligation of NCP. However, NCP does not currently have outstanding any debt or debt securities incurred or issued by NCP and secured by assets of NCP in such a manner as to have a priority claim against any of the assets of NCP over and above the Certificates.

The Certificates offered herein will be sold at par for cash, and no financing terms are offered. Forms of acceptable payment include personal, certified or cashier's check, money order or electronic funds transfer. Interest rates paid on NCP Certificates are determined by the Board of Directors of NCP upon consideration of current United States Treasury bill rates, mortgage interest rates and money market rates. There is no minimum or maximum interest rate pre-established by the Board of Directors for an offering of Certificates. Only the 5-Year Fixed Rate Renewable Certificates, the 30-Month Fixed Rate Renewable Certificates, the IRA Certificates and the HSA Certificates are taken into account for purposes of the Congregational Investment Generation Requirement described under the heading "DESCRIPTION OF NCP'S LENDING ACTIVITIES – Congregational Investment Generation Requirement" herein. All accrued interest on Certificates is included in the amount shown under "Investment Certificate Redemptions" in the Section entitled "SELECTED FINANCIAL DATA - Management Discussion of Financial Benchmarks – Cash Flow" herein.

The offer and sale of Certificates is limited to persons or entities who are, prior to receipt of this Offering Circular, (a) members of, contributors to, or participants in The Evangelical Covenant Church, including any program, activity or organization which constitutes a part of The Evangelical Covenant Church, its conferences or its member churches; (b) affiliates of The Evangelical Covenant Church, including any program, activity or organization which constitutes a part of The Evangelical Covenant Church, its conferences or its member churches; (c) beneficiaries or successors in interest to those listed in (a) or (b) above; (d) relatives of individuals listed in (a) above; (e) trusts or accounts controlled by or for the benefit of individuals listed in (a) above; and (f) other persons purchasing Certificates for the benefit or on behalf of individuals listed in (a) above (collectively, "Investors").

Description of 5-Year Fixed Rate Renewable Certificates

NCP's 5-Year Fixed Rate Renewable Certificates earn a fixed rate of interest as established at the time of issuance by the Board of Directors of NCP. The interest rate paid and the interest payment dates thereof are as indicated in Appendix "B" attached hereto. From time to time, the Board, in its sole discretion, may change the interest rate paid on these Certificates. However, the interest rate on a 5-Year Fixed Rate Renewable Certificate cannot be changed during any five (5) year term, once such Certificate has been issued. A holder of a 5-Year Fixed Rate Renewable Certificate shall be furnished on an annual basis with a current Offering Circular containing NCP's most recent Audited Financial Statements.

NCP's 5-Year Fixed Rate Renewable Certificate is evidenced by a certificate which must be surrendered upon payment of all principal and accrued interest, if any, to the holder thereof. The term of a 5-Year Fixed Rate

Renewable Certificate is five (5) years from the date of issuance, and will be renewed automatically for additional five (5) year terms, unless within ten (10) days after the end of the original or any renewal term, the Certificate is presented for payment and written notice of intention to redeem it is received by NCP from the holder thereof. If an Investor notifies NCP in writing on or prior to the maturity date that the Investor does not elect to extend or roll-over the Certificate, NCP shall promptly repay the principal and interest accrued, if any, thereon. NCP shall send notice of maturity at least thirty (30) days prior to maturity and shall state in said notice any change in interest rate applicable to the next subsequent renewal term. Holders will receive the higher of (i) the interest rate quoted in the renewal notice and (ii) the interest rate in effect upon the date of renewal. All Investors receiving this notice will have been furnished with NCP's most recent Offering Circular (See "INVESTOR REPORTS" herein). Any 5-Year Fixed Rate Renewable Certificate which is automatically renewed shall not be evidenced by a new certificate. NCP reserves the right to call for redemption any 5-Year Fixed Rate Renewable Certificate at any time prior to maturity upon sixty (60) days prior written notice and payment of outstanding principal and interest to the holder thereof.

Interest on a 5-Year Fixed Rate Renewable Certificate is payable semi-annually on June 30th and December 31st of each year and is calculated on the basis of a 365-day year. Holders of a 5-Year Fixed Rate Renewable Certificate have the option of directing NCP to (a) issue a semi-annual interest check or monthly electronic funds transfer, or (b) reinvest the interest, in which case interest accrues and compounds semi-annually at the stated rate of the 5-Year Fixed Rate Renewable Certificate. Such option must be made in writing to NCP at the time of investment, and may be changed by the Investor at any time upon written notice to NCP. If no notice is given, the Investor will be deemed to have elected to reinvest the interest. Reinvestment of interest is not evidenced by a new certificate. (Accrued but unpaid interest may be withdrawn at any time on or after the interest payment date on which it was due and payable.) Interest accrues at the rate of the 5-Year Fixed Rate Renewable Certificate, and compounds semi-annually. All interest constitutes taxable income to the recipient when earned. See "TAX MATTERS" herein.

No collateral is pledged to secure the repayment of any 5-Year Fixed Rate Renewable Certificate. NCP's obligation to repay a 5-Year Fixed Rate Renewable Certificate or to pay interest thereon is a general obligation of NCP. Payments of a 5-Year Fixed Rate Renewable Certificate will be made in full by NCP, and cannot be made in installments or with other debt instruments.

Description of 30-Month Fixed Rate Renewable Certificates

NCP's 30-Month Fixed Rate Renewable Certificates earn a fixed rate of interest as established at the time of issuance by the Board of Directors of NCP. The interest rate paid and the interest payment dates thereof are as indicated in Appendix "B" attached hereto. From time to time, the Board, in its sole discretion, may change the interest rate paid on these Certificates. However, the interest rate on a 30-Month Fixed Rate Renewable Certificate cannot be changed during any thirty (30) month term, once such Certificate has been issued. A holder of a 30-Month Fixed Rate Renewable Certificate shall be furnished on an annual basis with a current Offering Circular containing NCP's most recent Audited Financial Statements.

NCP's 30-Month Fixed Rate Renewable Certificate is evidenced by a certificate which must be surrendered upon payment of all principal and accrued interest, if any, to the holder thereof. The term of a 30-Month Fixed Rate Renewable Certificate is thirty (30) months from the date of issuance, and will be renewed automatically for additional thirty (30) month terms, unless within ten (10) days after the end of the original or any renewal term, the Certificate is presented for payment and written notice of intention to redeem it is received by NCP from the holder thereof. If an Investor notifies NCP in writing on or prior to the maturity date that the Investor does not elect to extend or roll-over the Certificate, NCP shall promptly repay the principal and interest accrued, if any, thereon. NCP shall send notice of maturity at least thirty (30) days prior to maturity and shall state in said notice any change in interest rate applicable to the next subsequent renewal term. Holders will receive the higher of (i) the interest rate quoted in the renewal notice, and (ii) the interest rate in effect upon the date of renewal. All Investors receiving this notice will have been furnished with NCP's most recent Offering Circular (See "INVESTOR REPORTS" herein).

Any 30-Month Fixed Rate Renewable Certificate which is automatically renewed shall not be evidenced by a new certificate. NCP reserves the right to call for redemption any 30-Month Fixed Rate Renewable Certificate at any time prior to maturity upon sixty (60) days prior written notice and payment of outstanding principal and interest to the holder thereof.

Interest on a 30-Month Fixed Rate Renewable Certificate is payable semi-annually on June 30th and December 31st of each year and is calculated on the basis of a 365-day year. Holders of a 30-Month Fixed Rate Renewable Certificate have the option of directing NCP to (a) issue a semi-annual interest check or monthly electronic funds transfer, or (b) reinvest the interest, in which case interest accrues and compounds semi-annually at the stated rate of the 30-Month Fixed Rate Renewable Certificate. Such option must be made in writing to NCP at the time of investment, and may be changed by the Investor at any time upon written notice to NCP. If no notice is given, the Investor will be deemed to have elected to reinvest the interest. Reinvestment of interest is not evidenced by a new certificate. (Accrued but unpaid interest may be withdrawn at any time on or after the interest payment date on which it was due and payable.) Interest accrues at the rate of the 30-Month Fixed Rate Renewable Certificate, and compounds semi-annually. All interest constitutes taxable income to the recipient when earned. See “TAX MATTERS” herein.

No collateral is pledged to secure the repayment of any 30-Month Fixed Rate Renewable Certificate. NCP’s obligation to repay a 30-Month Fixed Rate Renewable Certificate or to pay interest thereon is a general obligation of NCP. Payments of a 30-Month Fixed Rate Renewable Certificate will be made in full by NCP, and cannot be made in installments or with other debt instruments.

Description of Variable Rate Certificates

NCP’s Variable Rate Certificates earn interest that is adjustable by the Board of Directors of NCP in its sole discretion and is effective on a semi-annual basis, on January 1st and July 1st of each year. Between these semi-annual interest rate adjustment dates, newly issued Variable Rate Certificates may be offered at an interest rate that is different than the interest rate being paid on outstanding Variable Rate Certificates, but will adjust to the same interest rate as all other Variable Rate Certificates at the next semi-annual interest rate adjustment date. The interest rate paid on newly issued Variable Rate Certificates, and the interest payment dates thereto are as indicated in Appendix “B” attached hereto. Holders of a Variable Rate Certificate shall be furnished on an annual basis with a current Offering Circular containing NCP’s most recent Audited Financial Statements.

There is no stated term for a Variable Rate Certificate. On June 30th and December 31st of each year, principal and interest is reinvested unless withdrawn by the holder thereof upon written notice to NCP. Interest is calculated on the basis of a 365-day year, and is compounded semi-annually. Interest is payable upon redemption or on the interest payment dates of June 30th and December 31st of each year (by check or monthly electronic funds transfer), and accrues at the rate of the Variable Rate Certificate. Compound interest on the Variable Rate Certificates may be redeemed by the holder at any time. Written notice of an interest rate change will be furnished to holders of a Variable Rate Certificate within ten (10) days after such change. All interest on Variable Rate Certificates constitutes taxable income to the recipient when earned. See “TAX MATTERS” herein.

The Variable Rate Certificates may be redeemed by the holder thereof at any time upon thirty (30) days advance written notice to NCP. If an Investor notifies NCP in writing that the Investor desires to redeem the Certificate, NCP shall promptly repay the principal and interest accrued, if any, thereon and, in any case, within thirty (30) days after the date of any such written notice. The initial investment in a Variable Rate Certificate is evidenced by a certificate, which must be surrendered to NCP upon payment of all principal and accrued interest, if any, to the holder thereof. All subsequent additions to or deletions from the Variable Rate Certificates are evidenced by a semi-annual statement furnished to the Investor. NCP reserves the right to call for redemption any Variable Rate Certificate at any time upon sixty (60) days prior written notice to the holder thereof.

No collateral is pledged to secure the repayment of any Variable Rate Certificate. NCP's obligation to repay a Variable Rate Certificate or to pay interest thereon is a general obligation of NCP. Payments of a Variable Rate Certificate will be made in full by NCP, and cannot be made in installments or with other debt instruments.

Description of Demand Investment Accounts

NCP's Demand Investment Accounts were formerly available for investment only by member churches, conferences, and other entities affiliated with the Church, and were known as Church Demand Investment Accounts. NCP is now offering this investment to all eligible Investors. The Demand Investment Accounts earn interest that is adjustable by the Board of Directors of NCP in its sole discretion and is effective on a semi-annual basis, on January 1st and July 1st of each year. Between these semi-annual interest rate adjustment dates, newly issued Demand Investment Accounts may be offered at an interest rate that is different than the interest rate being paid on outstanding Demand Investment Accounts, but will adjust to the same interest rate as all other Demand Investment Accounts at the next semi-annual interest rate adjustment date. The interest rate paid on newly issued Demand Investment Accounts and the interest payment dates thereto are as indicated in Appendix "B" attached hereto. Holders of a Demand Investment Account shall be furnished on an annual basis with a current Offering Circular containing NCP's most recent Audited Financial Statements.

There is no stated term for a Demand Investment Account. On June 30th and December 31st of each year, principal and interest is reinvested unless withdrawn by the holder thereof upon written notice to NCP. Interest is calculated on the basis of a 365-day year, and is compounded monthly. Interest is payable upon redemption or on the interest payment dates which are the last days of each and every month, and accrues at the rate of the Demand Investment Account. Written notice of an interest rate change will be furnished to holders of a Demand Investment Account within ten (10) days after such change. All interest on Demand Investment Accounts constitutes income to the recipient when earned.

The Demand Investment Accounts may be redeemed in whole or in part by the holder thereof at any time upon thirty (30) days advance written notice to NCP. If an Investor notifies NCP in writing that the Investor desires to redeem amounts in the Demand Investment Account, NCP shall promptly repay the principal and interest accrued, if any, thereon, and in any case, within thirty (30) days after the date of any such written notice. The initial and all subsequent investments in a Demand Investment Account are evidenced by a monthly statement to the Investor, along with all disbursements and interest accrued and paid. NCP reserves the right to call for redemption investments, in whole or in part, in a Demand Investment Account at any time upon sixty (60) days prior written notice to the holder thereof.

No collateral is pledged to secure the repayment of any Demand Investment Account. NCP's obligation to repay a Demand Investment Account or to pay interest thereof is a general obligation of NCP. Payments of a Demand Investment Account will be made in full by NCP, and cannot be made in installments or with other debt instruments.

Description of Individual Retirement Account ("IRA") Certificates

NCP's IRA Certificates are available only for investment through an Individual Retirement Account for which Covenant Trust Company, an Illinois corporation, serves as custodian. In order to establish an Individual Retirement Account which invests in NCP's IRA Certificates, an Investor must execute an IRA Application and a Custodial Agreement. Persons interested in opening an Individual Retirement Account to invest in NCP's IRA Certificates should contact NCP to request a copy of the IRA Application, a Custodial Agreement and NCP's IRA disclosure documents. Investors in NCP's IRA Certificates shall be furnished on an annual basis with a current Offering Circular containing NCP's most recent Audited Financial Statements.

The IRA Certificates bear interest at a rate that is set by NCP's Board of Directors and is adjustable semi-annually on January 1st and July 1st of each year. The interest rate paid and the interest payment dates thereof are as indicated in Appendix "B" attached hereto. Interest is calculated on the basis of a 365-day year. On June 30th and December 31st of each year, principal and interest on the IRA Certificates is reinvested in the account at the then current interest rate. A holder of an Individual Retirement Account will receive from NCP, as agent for the custodian, a semi-annual statement of the calendar year's activity of the Individual Retirement Account. Notice of an interest rate change will be furnished to holders of an IRA Certificate within ten (10) days after such change.

The terms and conditions of an Individual Retirement Account, including NCP's redemption rights, are governed by the applicable provisions of the Code, as well as NCP's IRA disclosure documents and Custodial Agreement.

No collateral is pledged to secure the repayment of any IRA Certificate. NCP's obligation to repay an IRA Certificate or to pay interest thereon is a general obligation of NCP.

Description of Health Savings Account ("HSA") Certificates

NCP's HSA Certificates are available only for investment through a Health Savings Account for which Covenant Trust Company, an Illinois corporation, serves as custodian. In order to establish a Health Savings Account which invests in NCP's HSA Certificates, an Investor must execute an HSA Application and a Custodial Agreement. Persons interested in opening a Health Savings Account to invest in NCP's HSA Certificates should contact NCP to request a copy of the HSA Application, a Custodial Agreement and NCP's HSA disclosure documents. Investors in NCP's HSA Certificates shall be furnished on an annual basis with a current Offering Circular containing NCP's most recent Audited Financial Statements.

The HSA Certificates bear interest at a rate that is set by NCP's Board of Directors and is adjustable semi-annually on January 1st and July 1st of each year. The interest rate paid and the interest payment dates thereof are as indicated in Appendix "B" attached hereto. Interest is calculated on the basis of a 365-day year. On June 30th and December 31st of each year, principal and interest on the HSA Certificates is reinvested in the account at the then current interest rate. A holder of a Health Savings Account will receive from NCP, as agent for the custodian, a semi-annual statement of the calendar year's activity of the Health Savings Account. Notice of an interest rate change will be furnished to holders of an HSA Certificate within ten (10) days after such change. NCP's redemption rights with respect to an HSA Certificate are governed by the Custodial Agreement and federal tax laws.

The terms and conditions of a Health Savings Account are governed by the applicable provisions of the Code as well as NCP's HSA disclosure documents and Custodial Agreement.

No collateral is pledged to secure the repayment of any HSA Certificate. NCP's obligation to repay an HSA Certificate or to pay interest thereon is a general obligation of NCP.

Description of 403(b) Certificates

NCP's 403(b) Certificates are available only for investment through a 403(b) Account for which Covenant Trust Company, an Illinois corporation, serves as custodian. In order to establish a 403(b) Account which invests in NCP's 403(b) Certificates, an Investor must execute a 403(b) Application and a Custodial Agreement. Persons interested in opening a 403(b) Account to invest in NCP's 403(b) Certificates should contact NCP to request a copy of the 403(b) Application, a Custodial Agreement and NCP's 403(b) disclosure documents. Investors in NCP's 403(b) Certificates shall be furnished on an annual basis with a current Offering Circular containing NCP's most recent Audited Financial Statements.

The 403(b) Certificates bear interest at a rate that is set by NCP's Board of Directors and is adjustable semi-annually on January 1st and July 1st of each year. The interest rate paid and the interest payment dates thereof are as indicated in Appendix "B" attached hereto. Interest is calculated on the basis of a 365-day year. On June 30th and December 31st of each year, principal and interest on the 403(b) Certificates is reinvested in the account at the then current interest rate. A holder of a 403(b) Account will receive from NCP, as agent for the custodian, a semi-annual statement of the calendar year's activity of the 403(b) Account. Notice of an interest rate change will be furnished to holders of a 403(b) Certificate within ten (10) days after such change.

The terms and conditions of a 403(b) Account, including NCP's redemption rights, are governed by the applicable provisions of the Code, as well as NCP's 403(b) disclosure documents and Custodial Agreement.

No collateral is pledged to secure the repayment of any 403(b) Certificate. NCP's obligation to repay a 403(b) Certificate or to pay interest thereon is a general obligation of NCP.

METHOD OF SALE

The primary means of solicitation for the sale of Certificates will be through direct mailings and e-mail transmissions of the Offering Circular and advertising materials to current, past and prospective Investors, and to regional conferences and member churches by officers of NCP. On occasion, the President, Executive Vice President, Vice-Presidents or Assistant Secretaries of NCP also discuss the nature and purpose of NCP's work at meetings of the Church or member church services or gatherings, or in response to telephone inquiries. Prospective Investors will be able to obtain an Offering Circular and additional materials concerning the Certificates upon request to NCP.

Upon such request, NCP will mail or e-mail the applicable materials, including this Offering Circular, to the prospective Investor. In the case of the 5-Year Fixed Rate Renewable Certificates, the 30-Month Fixed Rate Renewable Certificates, the Demand Investment Accounts and the Variable Rate Certificates, a purchase is made upon the furnishing to NCP of a completed New Certificate Application Form which accompanies the Offering Circular and payment to NCP at 8303 West Higgins Road, Chicago, Illinois 60631. In the case of an IRA Certificate, an HSA Certificate and a 403(b) Certificate, a purchase is made upon the furnishing to NCP of a completed New Certificate Application Form and Custodial Agreement which accompany the Offering Circular and IRA, HSA or 403(b) disclosure materials, as the case may be, and payment to the custodian. In the case of an IRA Certificate, an HSA Certificate or a 403(b) Certificate, the Investor's check or money order should be made to National Covenant Properties IRA/HSA/403(b), c/o such custodian as indicated in the appropriate disclosure documents, 8303 West Higgins Road, Chicago, Illinois 60631. No direct personal solicitation for the sale of Certificates will be made by any officer, director or employee of NCP. All sales are made by the executive officers of NCP, pursuant to broker-dealer, issuer or agency licensing or an applicable exemption therefrom.

The solicitation of offers and the sale of Certificates is restricted solely to the members of, contributors to, participants in and affiliates of the Church.

NCP reserves the right at any time to withdraw all or part of this offering without notice.

UNDERWRITING

There is no underwriter involved in the issuance of the Certificates. The Certificates are offered solely by NCP to the members of, contributors to, participants in and affiliates of the Church. NCP pays no commissions on the sale of its Certificates.

TAX MATTERS

The purchase of Certificates is not a donation to a religious organization and is not eligible for any tax deduction as a charitable contribution. Interest paid or accrued on the Certificates, other than investments held in an Individual Retirement Account, a Health Savings Account, or a 403(b) Certificate, will be taxable as ordinary income to an Investor. Tax matters relative to an Individual Retirement Account, a Health Savings Account or a 403(b) Certificate are provided for in relevant provisions of the Code. Investors are encouraged to consult their tax advisor prior to investing in a Certificate.

LITIGATION

There is no litigation pending against NCP, nor to the knowledge of NCP is any litigation threatened, which in any way questions or affects the validity of the Certificates, or any proceedings or transactions relating to their issuance, sale and delivery. There is no litigation pending against NCP, nor to the knowledge of NCP is any litigation threatened, which would, if adversely determined, cause any material adverse change in the properties, financial condition or the conduct of the affairs of NCP.

MANAGEMENT AND GOVERNANCE

The Board of Directors of NCP consists of not less than eight (8) and not more than thirteen (13) directors, of which the President of NCP is an *ex officio* director whose term of service as director corresponds to his or her term of office as President. In addition, the President of the Church is an *ex officio* director whose term of service as director corresponds to his or her term of office. The other directors are elected for three (3) year staggered terms. The voting members of the Executive Board of the Church are the statutory members of NCP who determine the number of, and elect, the directors of NCP.

The Board meets four (4) to seven (7) times annually and approves every loan and line of credit made by NCP, except in those instances where authority to approve loans without Board approval has been delegated to the President (see “DESCRIPTION OF NCP’S LENDING ACTIVITIES – Loan Policies” herein). The Board also establishes all loan and investment policies of NCP.

NCP carries Employee Dishonesty Insurance coverage on all employees of NCP in the amount of five million (\$5,000,000) dollars per occurrence, which covers such occurrences as employee theft, computer fraud, forgery and funds in transit.

Officers of NCP

The President of NCP is Stephen R. Dawson, who serves as such on a full-time basis. Mr. Dawson has served NCP in the capacity of President since July, 2007. Previously, he was the President of Covenant Development Corporation and Director of Technical Services for the Department of Church Growth and Evangelism of The Evangelical Covenant Church (from October, 1989 to June, 2007). Mr. Dawson’s prior financial services experience includes the positions of Vice President and Cashier of FirstBank of Westland and FirstBank of Academy Park, Lakewood, Colorado (from 1974-1980); President of Charter Bank and Trust, Littleton, Colorado (from 1980-1982); and President of AmBank at Broadway, Littleton, Colorado (from 1982-1984). Mr. Dawson graduated with a Bachelor of Science in Economics from Colorado State University, Ft. Collins, Colorado in 1974, and is a graduate of the Prochnow Graduate School of Banking, University of Wisconsin-Madison, Wisconsin (1981), a three-year banking program conducted by the American Banking Association.

Peter A. Hedstrom, is the Executive Vice President/CFO at NCP since February 2015. Mr. Hedstrom has 30 years of banking experience primarily with US Bank where he was most recently the Regional President of 11 northeastern Minnesota branches until February 2014. He is a 1985 graduate of Bethel University, St. Paul,

Minnesota, with a Bachelor of Arts in Economics, and in 1995 received a Master of Business Administration with a finance concentration from the University of St. Thomas, St. Paul, Minnesota. Mr. Hedstrom is a 2009 graduate of the Pacific Coast Banking School, University of Washington in Seattle, Washington.

Robert M. Hall, III is the Vice President of Real Estate Services for NCP since June, 2007, and was the President of Covenant Development Corporation from June, 2007 until its dissolution in 2014. Mr. Hall was employed as the Associate Director of Technical and Legal Services for The Evangelical Covenant Church, and served as Vice President of Covenant Development Corporation from 1997-2007. From 1993 to 1997, Mr. Hall was Associate and later Regional Director for Habitat for Humanity. Mr. Hall holds a Bachelor of Arts in Religion and Psychology from North Park University, Chicago, Illinois (1988), and graduated in 1995 with a Juris Doctor from DePaul University-College of Law, Chicago, Illinois.

Rollin P. Persson is the Vice President of Real Estate Services for NCP since June, 2007, and the Vice President of Covenant Development Corporation since May, 2007. From 1997 until joining NCP, Mr. Persson was employed by GMAC-Residential Funding Corp. as a Mortgage Underwriter and Transaction Manager, and from 1987 to 1997, he was employed by Corus Bancorp in Chicago as a Real Estate Loan Officer. Mr. Persson holds a Bachelor of Arts degree in Business Administration from North Park University.

Jill A. Hall, Secretary, has been employed by NCP since September, 1994, and currently holds the title of Senior Accounts Manager. Prior to this date, Ms. Hall was employed by the Church as an events coordinator since March 1989.

Heidi Sue Havens, Assistant Secretary, has been employed by NCP since March 2012. Ms. Havens currently serves as an Account Coordinator. Prior to joining NCP, Ms. Havens was employed by Susan Fredman Design Group from 2010 - 2011 as an Accounts Payable Representative and Chicago Retail Manager. She graduated from North Park University in December 2009 with a Bachelors of Science in Business and Economics with a concentration in Accounting. She was also a member of the Covenant Bible College Midwest class of 2003.

Teressa Grannum, Assistant Secretary, has been employed by NCP since March, 2012 and is currently employed as an Account Coordinator. She was previously employed by The Mission Investment Fund of the Evangelical Lutheran Church in America from 2006 to 2010 as the Office Manager for Marketing. Prior to the ELCA, Ms. Grannum was employed by Siemens from 2005 to 2006 as the Customer Service Manager and prior to Siemens she was employed by Preferred Hotels and Resorts from 2000 to 2005 as the Business Office Manager. Ms. Grannum is currently enrolled in North Park University completing her Bachelors of Arts in Organizational Management and Leadership.

Maren Spaulding, Assistant Secretary, has been employed by NCP since May 2013. Ms. Spaulding currently serves as an Investment Coordinator. Prior to joining NCP, Ms. Spaulding was employed by Albany Bank and Trust from 2010 - 2013 as a Controller. She graduated from North Park University in May 2010 with a Bachelors of Science in Business and Economics with a concentration in Accounting.

The other officers of NCP, none of whom are active in the day-to-day operations of NCP, are: Jon D. Brorson, Chairman of the Board; Reed R. Brunzell, Vice Chairman of the Board; Dave Hanson, Treasurer of the Board. Jon D. Brorson, Reed R. Brunzell and Dave Hanson are also directors of NCP, as disclosed below.

Directors of NCP

As of the date of this Offering Circular, the following are the members of the Board of Directors of NCP:

Jon D. Brorson (Chairman of NCP), Managing Director, Mesirow Financial, a diversified financial firm based in Chicago (from May, 2011 to present), and head of its Agriculture Management division. Prior to this time,

Mr. Brorson was President of AgraShares LLC, an investment firm specializing in agricultural finance (November, 2006 to May, 2011); Managing Director, head of growth equity team, and member of Asset Allocation Committee of Lehman Brothers (October, 2004 to October, 2006); and Managing Director and Head of Growth Equities for Neuberger Berman (December, 2002 to October, 2004). Mr. Brorson holds a Bachelor of Arts degree in Economics from North Park University and a Masters of Business Administration in Finance from DePaul University. Term expires October, 2016.

Reed R. Brunzell (Vice Chairman of NCP), Senior Loan Officer, Mortgage Master, Park Ridge, Illinois since September 2015. From July, 2014 to August, 2015, Mr. Brunzell was a mortgage broker with JP Morgan Chase Bank, National Association. From January, 2011 to July, 2014, Mr. Brunzell was a Residential Mortgage Specialist with Wintrust Mortgage Corporation of Northfield, Illinois. Prior to that Mr. Brunzell was a Mortgage Advisor, Fifth/Third Bank, NA, from November, 2008 to January, 2011, and from January, 2008 to November, 2008, he was a mortgage advisor with Countrywide Bank, FSB. From September, 2006 to January, 2008, Mr. Brunzell was a senior loan consultant for Baird Warner Financial Services. Prior to this time, Mr. Brunzell was a senior loan consultant for Hartford Financial Services, Inc. from December, 1995 to September, 2006. Mr. Brunzell holds a Bachelor of Arts degree in Journalism and Economics from Indiana University. Term expires October, 2017.

Stephen R. Dawson (President of NCP), *ex officio* director. Mr. Dawson is the President and chief of operations of NCP as of July, 2007. Prior to that, he served as the President of Covenant Development Corporation and Director of Technical Services for the Department of Church Growth and Evangelism of The Evangelical Covenant Church (from October, 1989 to June, 2007).

Dave Hanson (Treasurer of NCP), Chief Financial Officer, Bayside Covenant Church, Roseville, California since 2006. From 1995 to 2006, Mr. Hanson was a partner in the B2 Group, a CEO/CFO Consulting Team that assisted entrepreneurs and companies with growing and realigning their companies including Venture Capital and other forms of financing. Mr. Hanson holds a Bachelor of Arts degree from North Park University. Term expires October 2017.

David Johnson, Retired. Formerly, Mr. Johnson served as the President of National Covenant Properties until 2007, and was employed by NCP from 1976. Mr. Johnson also served as Controller of the Church from 1975 to 1992. Prior to this time, he held accounting positions with two for-profit firms. Mr. Johnson holds a Bachelor of Arts Degree from North Park University and a Masters of Business Administration from Loyola University in 1973. He received his C.P.A. Certificate in 1974. Term expires October, 2016.

Peter Kisluk, Chief Operating Officer and Principal in Sage Vertical Garden Systems, LLC of Chicago, Illinois, since 2013. From 2002 to 2012, Mr. Kisluk held a number of positions including Executive Vice President with Capmark Bank and Capmark Finance, Inc. in Chicago, Illinois. Mr. Kisluk holds a Bachelor of Business Administration degree from the Edwin L. Cox School of Business at Southern Methodist University in 1988. Term expires October 2018.

Robert C. Larson (Vice Chairman of NCP), self-employed. Dr. Larson has been self-employed since June, 1990, and as such has provided consulting services to The Evangelical Covenant Church, its regional conferences, and its local churches. From 1978 to May, 1990, Dr. Larson served as the Executive Secretary of the Department of Church Growth and Evangelism of The Evangelical Covenant Church. Dr. Larson served as Director of Urban Church Planning in the Department of Church Growth and Evangelism of The Evangelical Covenant Church from 1969 to 1978. Dr. Larson holds an Associate of Arts degree from North Park University; a Bachelor of Arts degree from Lewis & Clark College; a Bachelor of Divinity from North Park University; a Master of Urban Planning from the University of Washington; and a PhD in Urban Planning from the University of Washington. Term expires October 2017.

Shaun Marshall serves as Senior Pastor of Community Covenant Church in Calumet Park, Illinois, since April 2014. From 2009-2014, Mr. Marshall served as the Executive Pastor of Citadel of Faith Covenant Church in Detroit, Michigan. Additionally, Mr. Marshall served the Evangelical Covenant Church as Interim Director of Church Planting from 2013-2014, Church Planting Coach from 2010-2013, and Great Lakes Conference Board Trustee from 2010-2014. Previously, Mr. Marshall served Jo-Ray House, Inc. as Interim Chief Operating Officer from 2008-2009, New Life Covenant Church in Chicago as Associate Minister and Director of Church Operations from 2006-2008, and Salem Baptist Church of Chicago as Special Assistant to the Senior Pastor from 2004-2006. In addition, he has served faith-based organizations as a consultant in the areas of leadership development, church growth and strategic planning. Term expires October 2017.

M. Annette Stuckey, Executive Vice President and Chief Financial Officer, First National Bank and Trust Co., Shawnee, Oklahoma since 2006. Prior to that, she served as Chief Financial Officer at Valliance Bank in Oklahoma City, and Oklahoma State Bank in Guthrie, Oklahoma. Ms. Stuckey has over 38 years in the banking industry. She holds a Bachelor of Arts in Liberal Studies and a Master of Arts in Administrative Leadership, both from the University of Oklahoma. Ms. Stuckey received her Certified Public Accountant certificate in 1997. Term expires October 2018.

Gary B. Walter, President of The Evangelical Covenant Church since July, 2008, *ex-officio* director. Prior to this time, Rev. Walter was the Executive Minister of the Department of Church Growth and Evangelism of The Evangelical Covenant Church since 1999. Rev. Walter holds a Bachelor of Arts degree in Journalism from the University of California – Berkeley and a Master of Divinity from North Park Theological Seminary.

Regina A. Williams, is Chief Operating Officer for Wellspring Center for Home in Chicago, Illinois since 2013. Prior to this time Ms. Williams was Director of Software Product Development for Rand McNally & Company, Skokie, Illinois, since 1988. Ms. Williams holds a Bachelor of Science degree in Marketing from Northern Illinois University, a Bachelor of Science in Computer Science from Northern Illinois University, and a Masters in Non Profit Administration from North Park University, Chicago, Illinois. Term expires October 2016.

Remuneration

All directors serve on a volunteer basis and are not compensated for time and services rendered as Board members. Reasonable expenses incurred with respect to attendance of Board meetings may be reimbursed. As of December 31, 2015, the salaried officers of NCP, in the aggregate, received annual compensation as follows:

Salary	Health and Life Insurance	Pension Benefit	403(b) Matching
\$ 907,597	\$ 108,722	\$ 78,384	\$ 13,261

Conflicts of Interest

All transactions with Board members are made or entered into on terms that are no less favorable to NCP than those that NCP could obtain from an independent, unaffiliated third party. A majority of the independent, disinterested members of NCP’s Board must approve transactions with Board members.

EVENTS OF DEFAULT

Non-payment of a Certificate’s principal and interest payment when due shall constitute a default of NCP, but only as to such Certificate. The holder of a Certificate has no rights of acceleration of payment of a Certificate upon an event of default, but may pursue all available legal and equitable remedies in the event of a default

thereunder. In addition, any NCP Investor will be furnished with a current list of all other NCP Investors residing in the state of that Investor upon request and within thirty (30) days of an event of default if such occurs.

REDEMPTION DUE TO A PERSONAL EMERGENCY

Although there is no obligation to redeem Certificates prior to their maturity, it is NCP's policy and practice to allow early redemption of a Certificate, generally upon representation of a personal or financial emergency of the holder thereof, so long as early redemption does not create a financial hardship to NCP (as determined by NCP). In some cases, approval of the Board of Directors of NCP will be required in accordance with Board policies established in connection with early redemption of Certificates. All interest is paid to the date of redemption and no penalty is assessed. There can be no assurance that NCP will continue such policy in the future, and NCP is not obligated to do so.

INDEPENDENT AUDITORS

The financial statements of NCP for the years ended December 31, 2015, December 31, 2014, and December 31, 2013, included in this Offering Circular have been audited by Capin Crouse, LLP, Independent Certified Public Accountants, as stated in their report appearing herein.

LEGAL OPINIONS

Certain legal matters relating to this issue of Certificates have been passed upon by Erickson-Papanek-Peterson-Rose, 1625 Shermer Road, Northbrook, Illinois 60062 and 350 St. Peter Street, Suite 601, St. Paul, Minnesota 55102, as general counsel to NCP.

INVESTOR REPORTS

NCP's current Audited Financial Statements will be made available at any time to Investors upon written request, and will be mailed as a matter of course to current Investors within 120 days of its most recent fiscal year end.

INDEPENDENT AUDITORS' REPORT

Board of Directors
National Covenant Properties
Chicago, Illinois

We have audited the accompanying financial statements of National Covenant Properties, which comprise the statements of financial position as of December 31, 2015, 2014 and 2013, and the related statements of activities and cash flows for the three years then ended, 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.

Auditors' 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 audits 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Covenant Properties as of December 31, 2015, 2014 and 2013, and the changes in its net assets and cash flows for each of the three years then ended in accordance with accounting principles generally accepted in the United States of America.



Wheaton, Illinois
February 19, 2016

120 East Liberty Drive, Suite 270
Wheaton, IL 60187
630.682.9797
capincrouse.com

NATIONAL COVENANT PROPERTIES

Statements of Financial Position

	December 31,		
	2015	2014	2013
ASSETS:			
Cash and cash equivalents	\$ 6,582,281	\$ 2,001,346	\$ 9,041,690
Investments	85,283,895	101,165,353	88,129,579
Loans receivable, net	286,036,672	270,690,589	267,822,659
Interest and other receivables	1,769,512	1,731,347	1,655,943
Real estate held in wholly owned affiliates	6,610,712	7,873,946	9,814,728
Other assets	62,409	102,992	74,886
	\$ 386,345,481	\$ 383,565,573	\$ 376,539,485
LIABILITIES AND NET ASSETS:			
Certificates	\$ 325,691,857	\$ 325,283,234	\$ 321,899,981
Accrued expenses and other payables	180,522	154,739	165,947
	325,872,379	325,437,973	322,065,928
Net assets:			
Unrestricted	60,473,102	58,127,600	54,473,557
	\$ 386,345,481	\$ 383,565,573	\$ 376,539,485

See notes to financial statements

NATIONAL COVENANT PROPERTIES

Statements of Activities

	Year Ended December 31,		
	2015	2014	2013
REVENUES:			
Interest and fees on loans	\$ 12,712,355	\$ 12,568,527	\$ 13,289,537
Interest and dividend income on investments	2,645,693	2,353,799	2,288,521
Realized (loss) gain on sale of investments	(42,109)	30,996	(1,788,451)
Other	152,081	282,809	251,140
Total revenue	15,468,020	15,236,131	14,040,747
Less: interest expense	(8,789,514)	(9,222,551)	(9,513,212)
Net revenue before general and administrative expenses	6,678,506	6,013,580	4,527,535
GENERAL AND ADMINISTRATIVE EXPENSES:			
Operating expenses	2,728,344	2,667,286	2,480,836
Amortization of swap option	140,100	94,038	85,200
Provision for loan losses	255,550	-	-
Total general and administrative expenses	3,123,994	2,761,324	2,566,036
Change in net assets before unrealized gain on investments	3,554,512	3,252,256	1,961,499
Unrealized (loss) gain on investments	(1,209,010)	401,787	(1,088,983)
Change in Unrestricted Net Assets	2,345,502	3,654,043	872,516
Net Assets, Beginning of Year	58,127,600	54,473,557	53,601,041
Net Assets, End of Year	\$ 60,473,102	\$ 58,127,600	\$ 54,473,557

See notes to financial statements

NATIONAL COVENANT PROPERTIES

Statements of Cash Flows

	Year Ended December 31,		
	2015	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:			
Change in net assets	\$ 2,345,502	\$ 3,654,043	\$ 872,516
Adjustment to reconcile change in net assets to net cash flows provided by operating activities:			
Unrealized loss (gain) on investments	1,209,010	(401,787)	1,088,983
Loss (gain) on sale of investments	42,109	(30,996)	1,788,451
Provision for loan losses - net (Note 3)	255,550	-	-
Changes in:			
Interest and other receivables	(38,165)	(75,404)	184,503
Other assets	40,583	(28,106)	28,297
Accrued expenses and other payables	25,783	(11,208)	(79,806)
Net Cash Provided by Operating Activities	3,880,372	3,106,542	3,882,944
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of investments	61,801,498	81,556,068	74,421,280
Purchase of investments	(45,907,925)	(92,218,277)	(67,925,204)
Collections of demand loans receivable	9,535,294	4,279,467	8,962,633
Collections on long-term loans receivable	18,215,037	15,517,108	16,374,100
Additions to demand loans receivable	(20,046,880)	(13,634,965)	(15,047,297)
Additions to long-term loans receivable	(23,305,084)	(9,029,540)	(11,144,497)
Net Cash Provided (Used) by Investing Activities	291,940	(13,530,139)	5,641,015
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of certificates	51,980,657	52,814,353	49,942,538
Redemption of certificates	(58,912,561)	(56,978,820)	(62,658,622)
Interest incurred reinvested by certificate holders	7,340,527	7,547,720	7,675,444
Net Cash Provided (Used) by Financing Activities	408,623	3,383,253	(5,040,640)
Net Change in Cash and Cash Equivalents	4,580,935	(7,040,344)	4,483,319
Cash and Cash Equivalents, Beginning of Year	2,001,346	9,041,690	4,558,371
Cash and Cash Equivalents, End of Year	\$ 6,582,281	\$ 2,001,346	\$ 9,041,690
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Matured investment certificates reinvested	\$ 26,292,174	\$ 12,862,246	\$ 12,344,023
Cash paid during the year for interest	\$ 1,448,986	\$ 1,682,580	\$ 1,837,163
Real estate received for payment of loans receivable	\$ -	\$ -	\$ 2,050,000

See notes to financial statements

NATIONAL COVENANT PROPERTIES

Notes to Financial Statements
December 31, 2015, 2014 and 2013

1. NATURE OF ORGANIZATION:

National Covenant Properties (NCP), a not-for-profit corporation, is an affiliate of The Evangelical Covenant Church (Church). The primary activity of NCP is providing secured and unsecured loans to member churches and Church-affiliated entities for the primary purpose of financing church property acquisitions, construction and additions, and financing certain activities of Church-affiliated entities. The principal source of funds to make these loans is the sale of debt securities by NCP to members of, contributors to, participants in, and affiliates of the Church and its member churches.

NCP is exempt from federal and state income taxes under the provisions of the Internal Revenue Code Section (IRC) 501(c)(3) and applicable state statutes and is not a private foundation under IRC Section 509(a)(1).

2. SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF ACCOUNTING

The financial statements of NCP have been prepared using the accrual basis of accounting, which gives recognition to income and related assets when earned and expenses and related liabilities when incurred. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates. The significant accounting policies followed are described below.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include a checking account and money market funds.

INVESTMENTS

Investments are stated at fair market value with realized and unrealized gains or losses recorded in the statements of activities.

OTHER ASSETS

Other assets consist of furniture and computer equipment purchases in excess of \$1,000 recorded at cost and depreciated over three to seven years and cash value of life insurance.

REAL ESTATE HELD IN WHOLLY OWNED AFFILIATES

NCP operates National Covenant Properties Land Company, LLC, NCP Land Company Minnesota, LLC, and NCP Land Company Illinois, LLC, wholly owned affiliates, which were created to hold properties held for sale. All real estate held by these LLC's is classified as real estate held for sale and is reported at fair value less estimated selling costs. All real estate held for sale is actively marketed and is expected to be sold as expeditiously as possible. Subsequent gains or losses resulting from the disposition of real estate held for sale are recorded as investment gains or losses in the period realized.

FEES ON LOANS

Loan fees charged by NCP approximate actual costs incurred by NCP for loan processing. Accordingly, such fees are recognized as income in the year of loan origination.

NATIONAL COVENANT PROPERTIES

Notes to Financial Statements
December 31, 2015, 2014 and 2013

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

LOANS RECEIVABLE AND ALLOWANCE FOR DOUBTFUL LOANS

Loans receivable are stated at their principal amount outstanding less the related allowance for doubtful accounts. Interest income on loans is accrued and credited to income based on the principal amount outstanding. The accrual of interest income is discontinued when, in management's judgment, the scheduled interest may not be collectible within the stated term of the loan. Interest income is recognized on a cash basis for loans classified as nonaccrual loans, with subsequent payments applied first to interest and fees, if any, and then to principal. Loans classified as nonaccrual loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

The allowance for doubtful accounts is maintained at a level that, in management's judgment, is adequate to absorb possible loan losses. This amount is based upon an analysis of the loan portfolio by management and includes, but is not limited to, the borrower's management, financial condition, cash flow, repayment program, guarantee (if any), and collateral. In addition, the historical experience of NCP and general economic conditions have been considered in management's evaluation of the allowance for possible loan losses. Management has also taken into consideration the recent national economic downturn and its potential to negatively impact the collectability of its loan portfolio in determining the loan loss reserve. This process is based on estimates, and ultimate losses may vary from current estimates. As changes in estimates occur, adjustment to the level of the allowance is recorded in the provision for potential loan losses in the period in which they become known. After NCP has exhausted its remedies with respect to the foreclosure of the real property collateralizing the loan, any remaining balance on the loan will be immediately written off. A loan is considered impaired when, based upon current information and events, it is probable that NCP will be unable to collect all amounts due according to the contractual terms of the loan agreement. Loans are classified as delinquent when payments are 90 or more days overdue whether or not the loan is in default.

Loans to churches which receive financial support from the Church's regional conference require the guarantee of that conference and/or of the Church. At December 31, 2015, there were 73 loans totaling \$77,314,537 that were guaranteed by a conference and/or the Church.

UNCERTAIN TAX POSITIONS

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in expenses in the statements of activities. As of December 31, 2015, 2014 and 2013, NCP had no material uncertain tax positions that qualify for recognition or disclosure in the financial statements.

NCP files information and tax returns in the U.S. and various states. NCP is generally no longer subject to U.S. federal and state income tax examinations by tax authorities for years before 2012.

RECLASSIFICATIONS

Certain 2014 and 2013 amounts have been reclassified to conform to the 2015 presentation.

NATIONAL COVENANT PROPERTIES

Notes to Financial Statements
December 31, 2015, 2014 and 2013

3. LOANS RECEIVABLE:

Loans receivable consist of the following:

	2015	2014	2013
Regional conferences, churches and their affiliated subsidiaries:			
Demand loans	\$ 43,144,291	\$ 32,864,668	\$ 27,462,097
Long-term loans	216,331,605	210,873,657	217,101,253
Total regional conferences and member churches	259,475,896	243,738,325	244,563,350
Denominational entities:			
Demand loans	21,468,733	21,236,769	17,283,842
Long-term loans	7,157,093	7,524,995	7,784,967
Total affiliated entities	28,625,826	28,761,764	25,068,809
Allowance for doubtful accounts	288,101,722 (2,065,050)	272,500,089 (1,809,500)	269,632,159 (1,809,500)
Total loans receivable	\$ 286,036,672	\$ 270,690,589	\$ 267,822,659

The interest rate on demand loans receivable is prime with a floor of 4.50% (prime rate was 3.50% at December 31, 2015).

The interest rates on long-term loans receivable range from 3.50% to 7.50% at December 31, 2015. Long-term loans are typically based on a 20-year amortization with a rate adjustment every three years. The total principal due or scheduled for rate adjustment in the next five years is as follows:

Year	Rate Adjustment
2016	\$ 50,089,661
2017	\$ 68,318,831
2018	\$ 88,686,729
2019	\$ 12,638,956
2020	\$ 3,543,965

As of December 31, 2015, NCP has undrawn loan commitments totaling \$24,062,124. In addition, NCP has extended lines of credit totaling \$13,800,000, of which \$5,372,207 was outstanding at December 31, 2015, and is included in affiliated entities' demand loans receivable.

NATIONAL COVENANT PROPERTIES

Notes to Financial Statements
December 31, 2015, 2014 and 2013

3. LOANS RECEIVABLE, continued:

A summary of loans receivable at December 31 classified by interest rates is as follows:

	2015	2014	2013
4% or less	\$ 71,288,035	\$ 59,812,123	\$ 50,453,466
over 4 to 4 1/2%	186,587,696	154,632,686	108,444,339
over 4 1/2 to 5%	23,669,980	34,795,438	36,603,989
over 5 to 5 1/2%	4,621,262	15,794,925	56,902,559
over 5 1/2 to 6%	-	2,588,307	10,103,220
over 6 to 6 1/2%	1,853,336	4,790,848	7,034,771
over 6 1/2%	81,413	85,762	89,815
	<u>288,101,722</u>	<u>272,500,089</u>	<u>269,632,159</u>
Allowance for losses	<u>(2,065,050)</u>	<u>(1,809,500)</u>	<u>(1,809,500)</u>
	<u>\$ 286,036,672</u>	<u>\$ 270,690,589</u>	<u>\$ 267,822,659</u>

An analysis of the allowance for doubtful loans is as follows:

	2015	2014	2013
Beginning of year	\$ 1,809,500	\$ 1,809,500	\$ 2,603,000
Provision for losses	255,550	-	-
Reduction of allowance due to foreclosure	<u>-</u>	<u>-</u>	<u>(793,500)</u>
End of year	<u>\$ 2,065,050</u>	<u>\$ 1,809,500</u>	<u>\$ 1,809,500</u>

NCP evaluates loans for impairment on an individual basis if the loan is more than 90 days delinquent. These loans are then given a specific allowance based on the estimated net realizable value of property serving as collateral. All other loans are evaluated for a loan allowance on a collective basis. At December 31, 2015, loans receivable totaling \$741,697, with allowances totaling \$37,085, were evaluated individually for impairment. All other loans were collectively evaluated and no impairment was noted.

NATIONAL COVENANT PROPERTIES

Notes to Financial Statements
December 31, 2015, 2014 and 2013

3. LOANS RECEIVABLE, continued:

The following table presents credit exposure by performance status for the year ended December 31, 2015. Status for performing and nonperforming real estate loans is based on payment activity for the year ended December 31, 2015. Payment activity is reviewed by management on a monthly basis to determine how loans are performing. Loans are considered to be nonperforming when days delinquent is greater than 60 days in the previous month. For each class of loans receivable, the following presents the balance by credit quality indicator:

	Demand	Long-Term	Total
Performing	\$ 64,613,024	\$ 222,747,001	\$ 287,360,025
Non-performing	-	741,697	741,697
	\$ 64,613,024	\$ 223,488,698	\$ 288,101,722

An aging analysis of the principal of past due loans receivable by class of loan as of December 31, 2015, is as follows:

	Demand	Long-Term	Total
Past due:			
61-90 days	\$ -	\$ -	\$ -
Greater than 90 days	-	741,697	741,697
Total past due	-	741,697	741,697
Current	64,613,024	222,747,001	287,360,025
	\$ 64,613,024	\$ 223,488,698	\$ 288,101,722

Included in loans receivable at December 31, 2015, 2014 and 2013, were the following loans that were considered delinquent:

	2015	2014	2013
Number of delinquent loans	1	0	0
Amount of delinquent payments	\$ 21,368	\$ -	\$ -
Total principal of delinquent loans	\$ 741,697	\$ -	\$ -

At December 31, 2015, the amount of interest and principal payments owing on the delinquent loan was \$25,280. Interest income recognized on delinquent loans during 2015 was \$13,040. NCP believes that the collateral related to the delinquent loans will be sufficient to repay the loan balance.

The delinquent loan of \$741,697 was less than 1% of NCP's aggregate principal balance of total loans outstanding at December 31, 2015.

During 2013, property was received in fulfillment of a real estate mortgage note and was classified as real estate held for sale at year-end. The value of the assets received totaling \$2,050,000, approximated the net outstanding mortgage note balance; therefore, no gain or loss was recognized.

NATIONAL COVENANT PROPERTIES

Notes to Financial Statements
December 31, 2015, 2014 and 2013

3. LOANS RECEIVABLE, continued:

Loans receivable at December 31, 2015, will mature as follows:

Year	Amount
2016	\$ 76,834
2017	6,116,996
2018	876,282
2019	8,185,369
2020	2,342,977
Thereafter	270,503,264
	\$ 288,101,722

At December 31, 2015, NCP had 312 loans with balances as follows:

Loan Balance	Number of Loans	Principal Outstanding	Percent of Loan Portfolio
Less than \$300,000	138	\$ 18,494,544	6%
\$300,001 - \$500,000	48	19,098,723	7%
\$500,001 - \$1,000,000	40	29,806,790	10%
\$1,000,001 - \$2,000,000	50	70,666,635	25%
\$2,000,001 - \$5,000,000	27	86,479,033	30%
Over \$5,000,000	9	63,555,997	22%
	312	\$ 288,101,722	100%

Although NCP has no geographic restrictions within the United States on where loans are made, aggregate loans equal to or in excess of five percent of total balances at December 31, 2015, were located in the following states:

State	Number of Loans	Principal Outstanding	Percent of Loan Portfolio
California	49	\$ 55,648,345	19%
Illinois	56	54,561,218	19%
Washington	28	30,709,242	11%
Colorado	15	22,763,503	8%
Minnesota	23	19,806,266	7%
	171	\$ 183,488,574	64%

NATIONAL COVENANT PROPERTIES

Notes to Financial Statements
December 31, 2015, 2014 and 2013

3. LOANS RECEIVABLE, continued:

TROUBLED DEBT RESTRUCTURING:

NCP has allocated \$91,247 of the allowance for loan losses, relating to balances of \$1,824,945, for three loans held by one customer whose loan terms have been modified in troubled debt restructurings as of December 31, 2015. The concessions giving rise to the troubled debt restructurings totaled approximately \$40,100 and were in the form of interest rate reductions to encourage timely monthly payments until maturity. The customer was also allowed to defer principal payments for up to three years while customer conducts a capital fund drive to pay \$300,000 of principal by December 31, 2017. This capital fund drive has started and current cash and pledges seem adequate to complete the principal pay-down on a timely basis. Currently, there is no commitment to lend additional amounts to this borrower. None of these troubled debt restructurings have subsequently defaulted during the year ended December 31, 2015.

4. CERTIFICATES:

Certificates consist of the following (all interest rates stated are as of December 31, 2015):

	2015	2014	2013
Individual retirement accounts (3.00%)	\$ 116,081,352	\$ 115,926,056	\$ 114,671,899
Health saving accounts (3.00%)	1,702,086	1,564,900	1,368,360
Variable rate demand (30 days, 1.50%)	30,579,304	33,714,896	37,825,913
Five year fixed rate (5 years, 3% - 4.50%)	117,095,425	123,969,312	124,189,083
Demand investment accounts (1.50%)	54,931,752	50,108,070	43,844,726
30 month fixed rate (2.25%)	5,301,938	-	-
	\$ 325,691,857	\$ 325,283,234	\$ 321,899,981
	2015	2014	2013
Certificates are held by the following parties:			
Affiliated entities	\$ 19,896,588	\$ 19,153,226	\$ 18,141,635
Other	305,795,269	306,130,008	303,758,346
Total certificates	\$ 325,691,857	\$ 325,283,234	\$ 321,899,981

NATIONAL COVENANT PROPERTIES

Notes to Financial Statements
December 31, 2015, 2014 and 2013

4. CERTIFICATES, continued:

Individual retirement and health savings accounts are recorded at original issue price, plus accrued interest. Interest on all other certificates is either accrued or paid currently at the holder's option. All variable rate demand certificates, demand investment accounts, five year fixed rate certificates, individual retirement accounts, health savings accounts, and 30-month fixed rate certificates are unsecured.

Amounts are presented in the schedule below based on the year in which the investment certificates are scheduled to mature. Notwithstanding the foregoing, the demand certificates shown below are payable upon 30 days written notice subject to availability of funds.

Year of Maturity	Amount
Demand	\$ 203,294,494
2016	26,586,656
2017	23,809,029
2018	25,164,283
2019	20,778,640
2020	26,058,755
	\$ 325,691,857

At December 31, 2015, NCP had 672 certificates with balances of \$100,000 or more as follows:

Certificate Balances	Number of Certificates	Amount	Percent of Certificate Balances Outstanding
\$100,000 - \$200,000	466	\$ 62,497,193	19%
\$200,001 - \$300,000	110	26,810,256	8%
\$300,001 - \$500,000	63	23,973,756	7%
Greater than \$500,000	33	30,474,774	9%
	672	\$ 143,755,979	43%

At December 31, 2015, NCP's investors were concentrated in four states as follows:

State	Number of Certificates	Amount	Percent of Certificate Balances Outstanding
Illinois	1,787	\$ 66,493,752	20%
California	1,546	56,764,699	17%
Minnesota	2,029	43,723,049	13%
Washington	906	29,963,661	9%
	6,268	\$ 196,945,161	59%

NATIONAL COVENANT PROPERTIES

Notes to Financial Statements
December 31, 2015, 2014 and 2013

5. SHORT-TERM BORROWINGS:

NCP had a \$1,000,000 unsecured bank line of credit with Wells Fargo, which bears interest at 1 month LIBOR rate plus 2.5% (LIBOR rate was 0.43 at December 31, 2015). No borrowings were outstanding under the line of credit at December 31, 2014 and 2013. The line of credit matured on June 30, 2015 and management elected not to renew the line of credit.

6. INVESTMENTS:

Investments consist of the following:

	2015	2014	2013
U.S. Agency, Govt. Sponsored Enterprises (GSE) and Investment Grade Corp. Obligations	\$ 68,454,577	\$ 86,770,004	\$ 78,015,316
Institutional Bond and Convertible Bond Funds	15,179,063	14,259,653	10,021,443
Investment in Equity Funds	1,535,927	-	-
Investment in Swap Options	114,328	135,696	92,820
	\$ 85,283,895	\$ 101,165,353	\$ 88,129,579

At December 31, 2015, the U.S. Agency, GSE and Investment Grade Corp. Obligations mature as follows:

Within two years	\$ 5,112,445
After two years through five years	40,869,439
Five to ten years	22,472,693
	\$ 68,454,577

7. INVESTMENT IN SWAP OPTIONS:

NCP entered into an interest rate swap option agreement during 2011 with the intent of reducing the impact of changes in interest rates. NCP paid \$426,000 for this agreement and it expires in 2016. NCP is amortizing the asset over the life of the agreement. Amortization is reported under general and administrative expenses in the statements of activities. The original balance covered under this agreement and the notional amount outstanding at December 31, 2011, was \$7,100,000. The agreement is accounted for as a fair value hedge. The unrealized gain (loss) on this agreement is included in unrealized gain (loss) on investments in the statements of activities and the corresponding fair value asset is located in investments in the statements of financial position. The fair market value of the asset as of December 31, 2015, 2014 and 2013 was \$0, \$4,696 and \$92,820, respectively.

NCP entered into two interest rate swap option agreements during 2014 with the intent of reducing the impact of changes in interest rates. NCP paid \$133,100 and \$79,000, respectively, for these agreements and they expire in 2018. NCP is amortizing the assets over the life of the agreements. Amortization is reported under general and administrative expenses in the statements of activities. The original balances covered under these agreements and the notional amount outstanding at December 31, 2014, were \$6,750,000 and \$4,000,000, respectively. The agreements are accounted for as a fair value hedge. The unrealized gain (loss) on these agreements are included in unrealized gain (loss) on investments in the statements of activities and the corresponding fair value assets are located in investments in the statements of financial position. The combined fair market value of the assets as of December 31, 2015 and 2014, was \$51,313 and \$131,001, respectively.

NATIONAL COVENANT PROPERTIES

Notes to Financial Statements
December 31, 2015, 2014 and 2013

7. INVESTMENT IN SWAP OPTIONS, continued:

NCP entered into an interest rate swap option agreement during 2015 with the intent of reducing the impact of changes in interest rates. NCP paid \$90,000 for this agreement and it expires in 2019. NCP is amortizing the asset over the life of the agreement. Amortization is reported under general and administrative expenses in the statements of activities. The original balance covered under this agreement and the notional amount outstanding at December 31, 2015, was \$5,250,000. The agreement is accounted for as a fair value hedge. The unrealized gain (loss) on this agreement is included in unrealized gain (loss) on investments in the statements of activities and the corresponding fair value asset is located in investments in the statements of financial position. The fair market value of the asset as of December 31, 2015 was \$63,015.

8. FAIR VALUE MEASUREMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS:

NCP uses appropriate valuation techniques to determine fair value based on inputs available. When available, the Fund measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs were not available. The valuations for each of these levels are determined as follows:

Level 1 - Quoted prices for identical instruments traded in active markets.

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in inactive markets or model-based valuations where significant assumptions are observable.

Level 3 - Model-based techniques using significant assumptions that are not observable. These unobservable assumptions reflect estimates of assumptions that market participants would use.

The table below presents the level within the fair value hierarchy at which investments are measured at December 31, 2015, 2014 and 2013:

	Total	Level 1	Level 2	Level 3
2015:				
Investments:				
U.S. Agency, GSE and Investment Grade Corp. Obligations	\$ 68,454,577	\$ -	\$ 68,454,577	\$ -
Institutional Bond and Convertible Bond Funds	15,179,063	15,179,063	-	-
Equity Mutual Funds:				
Large-Blend Index	539,746	539,746	-	-
Mid-Cap Value	498,730	498,730	-	-
Large Growth	497,451	497,451	-	-
Swap Options	114,328	-	114,328	-
	\$ 85,283,895	\$ 16,714,990	\$ 68,568,905	\$ -

NATIONAL COVENANT PROPERTIES

Notes to Financial Statements
December 31, 2015, 2014 and 2013

8. FAIR VALUE MEASUREMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS, continued:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
2014:				
U.S. Agency, GSE and Investment Grade Corp. Obligations	\$ 86,770,004	\$ -	\$ 86,770,004	\$ -
Institutional Bond and Convertible Bond Funds	14,259,653	14,259,653	-	-
Swap options	135,696	-	135,696	-
	<u>\$ 101,165,353</u>	<u>\$ 14,259,653</u>	<u>\$ 86,905,700</u>	<u>\$ -</u>
2013:				
U.S. Agency and GSE and Investment Grade Corp. Obligations	\$ 78,015,316	\$ -	\$ 78,015,316	\$ -
Institutional Bond Funds	10,021,443	10,021,443	-	-
Swap options	92,820	-	92,820	-
	<u>\$ 88,129,579</u>	<u>\$ 10,021,443</u>	<u>\$ 78,108,136</u>	<u>\$ -</u>

The following disclosure of estimated fair value of financial instruments is made in accordance with the *Financial Instruments* topic of the FASB Accounting Standards Codification. The estimated fair value amounts have been determined by NCP using available market information and appropriate valuation methodologies. Accordingly, the aggregate estimated fair values at December 31, 2015, 2014 and 2013, are presented below.

	<u>2015</u>		<u>2014</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Assets:				
Cash and cash equivalents	\$ 6,582,281	\$ 6,582,281	\$ 2,001,346	\$ 2,001,346
Investments	\$ 85,169,567	\$ 85,169,567	\$ 101,029,657	\$ 101,029,657
Swap options (Note 7)	\$ 114,328	\$ 114,328	\$ 135,696	\$ 135,696
Loans receivable	\$ 286,036,672	\$ 286,412,064	\$ 270,690,589	\$ 271,198,877
Interest & other receivables	\$ 1,769,512	\$ 1,769,512	\$ 1,731,347	\$ 1,731,347
Liabilities:				
Certificates	\$ 325,691,857	\$ 325,837,038	\$ 325,283,234	\$ 325,768,644
Accrued expenses	\$ 180,522	\$ 180,522	\$ 154,739	\$ 154,739

NATIONAL COVENANT PROPERTIES

Notes to Financial Statements
December 31, 2015, 2014 and 2013

8. FAIR VALUE MEASUREMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS, continued:

	2013	
	Carrying Amount	Fair Value
Assets:		
Cash and cash equivalents	\$ 9,041,690	\$ 9,041,690
Investments	\$ 88,036,759	\$ 88,036,759
Swap options (Note 7)	\$ 92,820	\$ 92,820
Loans receivable	\$ 267,822,659	\$ 268,969,349
Interest & other receivables	\$ 1,655,943	\$ 1,655,943
Liabilities:		
Certificates	\$ 321,899,981	\$ 323,085,749
Accrued expenses	\$ 165,947	\$ 165,947

The following methods and assumptions were used by NCP to estimate the fair value of each class of financial instruments at December 31, 2015, 2014 and 2013:

Cash and cash equivalents and interest and other receivables - The carrying amounts approximate fair value due to the short-term maturity of these instruments.

Investments - The fair value of the institutional bond funds (the Fund) is based on net asset values (NAV) of the shares held by NCP at year-end. The NAV is calculated by dividing the total value of the Fund's investments and other assets (including accrued income), less any liabilities (including estimated accrued expenses), by the number of shares outstanding, rounded to the nearest cent. The NAV per share is determined on each day that the exchange is open for business and there exists shareholder orders for the Fund and on any other day on which there is sufficient trading in the Fund's securities to materially affect the NAV. The daily NAV per share is readily available to shareholders on the Fund's website.

Swap options - The fair value of the investment in swap options is the mark-to-market asset resulting from the derivative contracts mentioned in Note 7. They are valued at the net present value of future cash flows attributable to the difference between the contractual variable and fixed rates in the agreements.

Loans receivable - The fair value of loans receivable was estimated by discounting expected future cash flows using NCP's current lending rate. Loans were assumed to mature on the date when interest rates are adjusted, if not before.

Accrued expenses - The fair value of accrued expenses is the carrying amount because of the relatively short period of time between origination of the instrument and its expected realization.

Investment certificates - The fair value of five year fixed rate certificates and 30-month fixed rate certificates was estimated by discounting the expected future cash flows using NCP's current offering rate on similar instruments. The carrying amount for individual retirement accounts and short-term variable rate demand certificates was determined to be a reasonable estimate of fair value. Interest rates for individual retirement accounts are reviewed semiannually and subject to adjustment by management.

NATIONAL COVENANT PROPERTIES

Notes to Financial Statements
December 31, 2015, 2014 and 2013

9. ADMINISTRATIVE TRANSACTIONS WITH RELATED PARTIES:

Fees are assessed to entities affiliated with the Church, including NCP, in order for the entities to share Church expenses. The Church has defined these expenses as those associated with organization and management of the Church, consulting services and other administrative services. General and administrative expenses on the statements of activities include fees of \$452,272 in 2015, \$454,479 in 2014 and \$423,078 in 2013, for services provided by the Church. NCP also reimburses the Church for expenses incurred by the Church resulting from NCP's tenancy in the Church's headquarters.

NCP provides real estate services to the Church, entities affiliated with the Church and member churches of the Church. In consideration for these services, the Church and affiliated entities compensate NCP. Those compensation payments totaled \$150,000 for each of the years ended December 31, 2015, 2014 and 2013, and are included in other revenues on the statements of activities.

Accrued expenses and other payables includes amounts payable to the Church totaling \$114,693, \$98,230, and \$110,552 for 2015, 2014 and 2013, respectively.

10. CONCENTRATIONS OF CREDIT RISK:

Financial instruments that potentially subject NCP to concentrations of credit risk consist principally of cash and cash equivalents, marketable securities and loans receivable. From time to time NCP may have deposits in excess of federal deposit insurance limits. NCP has not experienced any losses on these accounts and does not believe it is exposed to any significant risk of loss related to these.

Concentrations of credit risk with respect to loans receivable are limited to a certain extent by the secured position of NCP in most instruments, the number of organizations comprising NCP's loans receivable base and their dispersion across geographic areas, and NCP's policy of limiting the maximum loan amount to any one borrower. As described in Note 1, all of NCP's loans are with churches and related organizations of the Church. Loans made by NCP are typically secured by first mortgages and are normally limited to 80% of the aggregate cost or value of the property securing the loan. While NCP may be exposed to credit losses in the event of nonperformance by the above contracting parties, management has established an allowance for potential loan losses, which it believes is adequate to cover any such losses.

A substantial portion of the investment certificates issued by NCP are demand instruments or will be maturing within the next two years. In addition, all demand certificates are payable upon 30 days written notice subject to availability of funds. NCP has insufficient liquid assets to satisfy repayment of this amount assuming all demand certificates would be redeemed at one time. Management anticipates, similar to past history, that a substantial portion of these certificates will be reinvested or rolled over into new certificates with NCP.

11. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

Appendix “A” Definitions

1. “Advertising” – All information and promotional materials, including, but not limited to, magazine or newsletter advertisements, brochures, video tapes, fliers, church bulletin inserts, mailers and Internet information posted by the Issuer or Denomination that are used in addition to an Offering Circular to solicit Investors.
2. “Audited Financial Statements” – Financial statements prepared in accordance with generally accepted accounting principles generally accepted in the United States of America, and audited by an independent auditor.
3. “Board” – The Board of Directors of NCP.
4. “Certificate(s)” – The 5-Year Fixed Rate Renewable Certificates, the 30-Month Fixed Rate Renewable Certificates, the Variable Rate Certificates, the Demand Investment Accounts, the Individual Retirement Account (“IRA”) Certificates, the Health Savings Account (“HSA”) Certificates and the 403(b) Certificates.
5. “Church” – The Evangelical Covenant Church, an Illinois not for profit corporation.
6. “Congregational Investment Generation Requirement” – NCP’s loan condition which requires a borrowing church to generate investments in NCP’s 5-Year Fixed Rate Renewable Certificates, 30-Month Fixed Rate Renewable Certificates, IRA Certificates or HSA Certificates through members and other eligible participants of that church in an amount that is no less than fifteen percent (15%) of the principal amount of the loan, subject to modification in the sole discretion of NCP.
7. “Denomination” – A national or regional religious organization or association that consists of or acts on behalf of its individual affiliated churches as well as the various national or regional administrative and other religious organizations or units affiliated with the Denomination. Specifically, in the context of this Offering Circular, The Evangelical Covenant Church.
8. “HSA” – Health Savings Account.
9. “Investor(s)” – The offer and sale of Certificates is limited to persons or entities who are, prior to receipt of this Offering Circular, (a) members of, contributors to, or participants in The Evangelical Covenant Church, including any program, activity or organization which constitutes a part of The Evangelical Covenant Church, its conferences or its member churches; (b) affiliates of The Evangelical Covenant Church, including any program, activity or organization which constitutes a part of The Evangelical Covenant Church, its conferences or its member churches; (c) beneficiaries or successors in interest to those listed in (a) or (b) above; (d) relatives of individuals listed in (a) above; (e) trusts or accounts controlled by or for the benefit of individuals listed in (a) above; and (f) other persons purchasing Certificates for the benefit or on behalf of individuals listed in (a) above.
10. “IRA” – Individual Retirement Account.
11. “Issuer” – National Covenant Properties, the organization that offers and sells the Certificates.
12. “Loan Delinquencies” – Borrowers’ loan balances on which payments of principal or interest are delinquent ninety (90) days or more, whether in default or not.
13. “NCP” – National Covenant Properties, an Illinois not for profit corporation.
14. “Net Assets” – The excess or deficiency of assets over liabilities, classified according to the existence or absence of donor-imposed restrictions.
15. “Net Income” – All items of NCP’s income and revenue, including income, gift revenues and gains or losses from investments, less all items of expenses, as reflected in NCP’s Audited Financial Statements.

16. “Offering Circular” – This disclosure statement prepared by the Issuer.

17. “Person” – An individual, a corporation, a limited liability company, a partnership, an association, a joint-stock company, a trust, an unincorporated organization, a government or a political subdivision of a government, or other legal entity.

18. “Senior Secured Indebtedness” – Any debt or debt securities incurred or issued by NCP and secured by assets of NCP in such a manner as to have a priority claim against any of the assets of NCP over and above the Certificates.

Appendix “B”
Current Interest Rates and Interest Payment Dates

<u>Type of Certificate</u>	<u>Current Interest Rate</u>	<u>Interest Payment Dates</u>
5-Year Fixed Rate Renewable Certificate	3.00%	June 30 and December 31 of each year
30-Month Fixed Rate Renewable Certificate	2.25%	June 30 and December 31 of each year
Variable Rate Certificate	1.50%	June 30 and December 31 of each year
Demand Investment Accounts	1.50%	June 30 and December 31 of each year
Individual Retirement Account (“IRA”) Certificate	3.00%	June 30 and December 31 of each year
Health Savings Account (“HSA”) Certificate	3.00%	June 30 and December 31 of each year
403(b) Certificate	<u>(forthcoming)</u>	June 30 and December 31 of each year