HSA Simplifier®

HEALTH SAVINGS ACCOUNT APPLICATION

PART 1. HSA 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. HSA CUSTODIAN

Name National Covenant Properties HSA

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 HSA.*

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 as well as qualified HSA funding distributions from an IRA)*
Contribution for Tax Year ________ *(Qualified HSA funding distributions from an IRA must be made for the current tax year)*

☐ **2. Rollover** *(Distribution from an HSA or Archer MSA that is being deposited into this HSA)*
By selecting this transaction, I irrevocably designate this contribution as a rollover.

☐ **3. Transfer** *(Direct movement of assets from an HSA or Archer MSA into this HSA)*

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 HSA.)*

☐ **Internal Account**
Account Number ____________________ Type *(e.g., checking, savings, HSA)* ____________________

☐ **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, HSA)* ____________________

Deposit Taken by ____________________

Name of HSA 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 HSA.)*

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 HSA. The balance in the account will be payable to these beneficiaries if all primary beneficiaries have predeceased the HSA 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 HSA ______

PART 6. SPOUSAL CONSENT

Spousal consent should be considered if either the trust or the residence of the HSA 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 HSA 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 HSA, I have been advised to see a tax professional.

I hereby relinquish any interest that I may have in this HSA 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 HSA contribution I am making, and I state that I do qualify to make the contribution. I have received a copy of the Health Savings Account Application, the 5305-C Custodial Account Agreement, the Disclosure Statement, and a current National Covenant Properties Offering Circular. I understand that the terms and conditions that apply to this HSA are contained in this Application and the HSA Custodial Account Agreement. I agree to be bound by those terms and conditions.

I assume complete responsibility for

- determining that I am eligible for an HSA 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 distributions.

X ______________________ ______________
Signature of HSA Owner — Date *(mm/dd/yyyy)*

X ______________________ ______________
Signature of Witness — Date *(mm/dd/yyyy)*

X ______________________ ______________
Signature of Custodian — Date *(mm/dd/yyyy)*

HSA CONTRIBUTION ELIGIBILITY

PART 1. HSA OWNER

Name *(First/MI/Last)* ______

Social Security Number ______

Date of Birth ______ Phone ______

Email Address ______

Account Number ______ Suffix ______

PART 2. HSA TRUSTEE OR CUSTODIAN

To be completed by the HSA trustee or custodian

Name National Covenant Properties HSA

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** ______

PART 3. CONTRIBUTION TYPE ELIGIBILITY REQUIREMENTS

To be eligible for an HSA contribution type listed below, all statements for that contribution type must be true. Refer to page 2 for rules and conditions that apply to contribution eligibility.

REGULAR ***(Includes catch-up contributions and qualified HSA funding distributions from an IRA)***

- ☐ I am covered by a high deductible health plan (HDHP).
- ☐ I am not covered by a nonHDHP that provides coverage for any benefit that is also covered under the HDHP (with limited exceptions).
- ☐ I am not enrolled in Medicare.
- ☐ I am not eligible to be claimed as a dependent on another person's tax return.

If this contribution is a qualified HSA funding distribution from your IRA, the following statements also must be true.

- ☐ I have not previously completed a qualified HSA funding distribution from my IRA.
- ☐ This is a direct movement of assets from my IRA into this HSA.

ROLLOVER ***(Distribution from an HSA or Archer MSA that is being deposited into this HSA)***

- ☐ I received the assets from the distributing HSA or Archer MSA within the last 60 days.
- ☐ I have not rolled over any assets to an HSA in the last 12 months.

PART 4. SIGNATURES

I certify that all of the information provided by me is accurate and may be relied upon by the trustee or custodian. I certify that I am eligible for the type of HSA contribution being made.

X ______ ______

Signature of HSA Owner Date *(mm/dd/yyyy)*

X ______ ______

Signature of Witness Date *(mm/dd/yyyy)*

RULES AND CONDITIONS APPLICABLE TO HSA CONTRIBUTION ELIGIBILITY

HSA contribution rules are often complex. The general rules are listed below. If you have any questions regarding a contribution, please consult with a competent tax professional or refer to IRS Publication 969, *Health Savings Accounts and Other Tax-Favored Health Plans*, for more information. This publication is available on the IRS website at www.irs.gov or by calling 1-800-TAX-FORM.

REGULAR

You may contribute to an HSA if all of the following apply.

- **High Deductible Health Plan (HDHP).** You are covered by an HDHP. An HDHP is a health plan that satisfies each of the following requirements regarding deductibles and out-of-pocket expenses.
  - For self-only coverage, the annual deductible is at least $1,200 (for 2012) or $1,250 (for 2013) and annual out-of-pocket expenses cannot exceed $6,050 (for 2012) or $6,250 (for 2013)
  - For family coverage, the annual deductible is at least $2,400 (for 2012) or $2,500 (for 2013) and annual out-of-pocket expenses cannot exceed $12,100 (for 2012) or $12,500 (for 2013)
- **Other Coverage.** Generally, you may not be covered under any other type of nonHDHP benefit program, such as health flexible spending arrangements and health reimbursement arrangements, or have received Veterans Affairs (VA) medical benefits. Exceptions exist for vision, dental, long-term care, disability, and preventive care.
- **Medicare.** You may not be enrolled in Medicare.
- **Dependent.** You may not be eligible to be claimed as a dependent on another person's tax return.
- **Contribution Limit.** The total amount you may contribute to an HSA for any tax year may not exceed the following annual limits.
  - For self-only coverage, $3,100 (for 2012) or $3,250 (for 2013)
  - For family coverage, $6,250 (for 2012) or $6,450 (for 2013)
- **Catch-Up Contribution.** If you are age 55 or older by the end of the year, you may be eligible to make an additional $1,000 catch-up contribution to an HSA for that tax year.
- **Qualified HSA Funding Distribution.** A qualified HSA funding distribution is a one-time direct movement of assets from a Traditional IRA or Roth IRA to an HSA, and is treated as a regular HSA contribution. If your insurance coverage changes from self-only to family during the year, you may make an additional HSA funding distribution to meet, but not exceed, the family coverage contribution limit.

ROLLOVER

Timeliness. The assets you receive from the distributing HSA or Archer medical savings account (MSA) generally must be deposited into another HSA within 60 calendar days.

Twelve-Month Restriction. You are entitled to one HSA rollover contribution in a 12-month period.

NATIONAL COVENANT PROPERTIES

YOU INVEST • WE LEND • MINISTRY GROWS

ID VERIFICATION FORM

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: ____________________

HEALTH SAVINGS CUSTODIAL ACCOUNT AGREEMENT

Form 5305-C under section 223(a) of the Internal Revenue Code. FORM (December 2011)

The account owner named on the application is establishing this health savings account (HSA) exclusively for the purpose of paying or reimbursing qualified medical expenses of the account owner, his or her spouse, and dependents. The account owner represents that, unless this account is used solely to make rollover contributions, he or she is eligible to contribute to this HSA; specifically, that he or she: (1) is covered under a high deductible health plan (HDHP), (2) is not also covered by any other health plan that is not an HDHP (with certain exceptions for plans providing preventive care and limited types of permitted insurance and permitted coverage), (3) is not enrolled in Medicare, and (4) cannot be claimed as a dependent on another person's tax return.

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

The account owner and the custodian make the following agreement:

ARTICLE I

1. The custodian will accept additional cash contributions for the tax year made by the account owner or on behalf of the account owner (by an employer, family member, or any other person). No contributions will be accepted by the custodian for any account owner that exceeds the maximum amount for family coverage plus the catch-up contribution.
2. Contributions for any tax year may be made at any time before the deadline for filing the account owner's federal income tax return for that year (without extensions).
3. Rollover contributions from an HSA or an Archer medical savings account (Archer MSA) (unless prohibited under this agreement) need not be in cash and are not subject to the maximum annual contribution limit set forth in Article II.
4. Qualified HSA distributions from a health flexible spending arrangement or health reimbursement arrangement must be completed in a trustee-to-trustee transfer and are not subject to the maximum annual contribution limit set forth in Article II.
5. Qualified HSA funding distributions from an individual retirement account must be completed in a trustee-to-trustee transfer and are subject to the maximum annual contribution limit set forth in Article II.

ARTICLE II

1. For calendar year 2011, the maximum annual contribution limit for an account owner with single coverage is $3,050. This amount increases to $3,100 in 2012. For calendar year 2011, the maximum annual contribution limit for an account owner with family coverage is $6,150. This amount increases to $6,250 in 2012. These limits are subject to cost-of-living adjustments after 2012.
2. Contributions to Archer MSAs or other HSAs count toward the maximum annual contribution limit to this HSA.
3. For calendar year 2009 and later years, an additional $1,000 catch-up contribution may be made for an account owner who is at least age 55 or older and not enrolled in Medicare.
4. Contributions in excess of the maximum annual contribution limit are subject to an excise tax. However, the catch-up contributions are not subject to an excise tax.

ARTICLE III

It is the responsibility of the account owner to determine whether contributions to this HSA have exceeded the maximum annual contribution limit described in Article II. If contributions to this HSA exceed the maximum annual contribution limit, the account owner shall notify the custodian that there exist excess contributions to the HSA. It is the responsibility of the account owner to request the withdrawal of the excess contribution and any net income attributable to such excess contribution.

ARTICLE IV

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

ARTICLE V

1. No part of the custodial funds in this account may be invested in life insurance contracts or in collectibles as defined in section 408(m).
2. The assets of this account may not be commingled with other property except in a common custodial fund or common investment fund.
3. Neither the account owner nor the custodian will engage in any prohibited transaction with respect to this account (such as borrowing or pledging the account or engaging in any other prohibited transaction as defined in section 4975).

ARTICLE VI

1. Distributions of funds from this HSA may be made upon the direction of the account owner.
2. Distributions from this HSA that are used exclusively to pay or reimburse qualified medical expenses of the account owner, his or her spouse, or dependents are tax-free. However, distributions that are not used for qualified medical expenses are included in the account owner's gross income and are subject to an additional 20 percent tax on that amount. The additional 20 percent tax does not apply if the distribution is made after the account owner's death, disability, or reaching age 65.
3. The custodian is not required to determine whether the distribution is for the payment or reimbursement of qualified medical expenses. Only the account owner is responsible for substantiating that the distribution is for qualified medical expenses and must maintain records sufficient to show, if required, that the distribution is tax-free.

ARTICLE VII

If the account owner dies before the entire interest in the account is distributed, the entire account will be disposed of as follows:

1. If the beneficiary is the account owner's spouse, the HSA will become the spouse's HSA as of the date of death.
2. If the beneficiary is not the account owner's spouse, the HSA will cease to be an HSA as of the date of death. If the beneficiary is the account owner's estate, the fair market value of the account as of the date of death is taxable on the account owner's final return. For other beneficiaries, the fair market value of the account is taxable to that person in the tax year that includes such date.

ARTICLE VIII

1. The account owner agrees to provide the custodian with information necessary for the custodian to prepare any report or return required by the IRS.
2. The custodian agrees to prepare and submit any report or return as prescribed by the IRS.

ARTICLE IX

Notwithstanding any other article that may be added or incorporated in this agreement, the provisions of Articles I through VIII and this sentence are controlling. Any additional article in this agreement that is inconsistent with section 223 or IRS published guidance will be void.

ARTICLE X

This agreement will be amended from time to time to comply with the provisions of the Code or IRS published guidance. Other amendments may be made with the consent of the persons whose signatures appear on the application.

ARTICLE XI

11.01 **Definitions** – In this part of this agreement (Article XI), the words "you" and "your" mean the account owner. The words "we," "us," and "our" mean the custodian. The word "Code" means the Internal Revenue Code, and "regulations" means the Treasury regulations.

11.02 **Notices and Change of Address** – Any required notice regarding this HSA 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.

11.03 **Representations and Responsibilities** – 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, if we receive ambiguous directions regarding any transaction, or if 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 will 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. We will not be responsible for any penalties, taxes, judgments, or expenses you incur in connection with your HSA. We have no duty to determine whether your contributions or distributions comply with the Code, regulations, rulings, or this agreement. We have the right to require you to provide, on a form provided by or acceptable to us, proof or certification that you are eligible to contribute to this HSA, including, but not limited to, proof or certification that you are covered by an HDHP. In no event will we be responsible to determine if contributions made by your employer to your HSA meet the requirements for comparable contributions, the rules of which are set forth in the Code and IRS published guidance.

We may permit you to appoint, through written notice acceptable to us, an authorized agent to act on your behalf with respect to this agreement (e.g., attorney-in-fact, executor, administrator, investment manager), but we have no duty to determine the validity of such appointment or any instrument appointing such authorized agent. In addition, we may allow you to designate an authorized signer to perform various limited transactions on your HSA as specified in a form provided by or acceptable to us. We may rely upon this designation until such time, if any, that we receive a written revocation of the authorization. We will not be responsible for losses of any kind that may result from directions, actions, or failures to act by your authorized agent and/or authorized signer, 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 and/or authorized signer.

You will have 60 days after you receive any documents, statements, or other information from us to notify us in writing of any errors or inaccuracies reflected in these documents, statements, or other information. If you do not notify us within 60 days, the documents, statements, or other information will be deemed correct and accurate, and we will have no further liability or obligation for such documents, statements, other information, or the transactions described therein.

By performing services under this agreement, we are acting as your agent. You acknowledge and agree that nothing in this agreement will be construed as conferring fiduciary status upon us. We will 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 HSAs. You agree to indemnify and hold us harmless for any and all claims, actions, proceedings, damages, judgments, liabilities, costs, and expenses, including attorney's fees arising from or in connection with this agreement.

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 including, but not limited to, electronic communication.

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.

11.04 **Disclosure of Account Information** – We may use agents and/or subcontractors to assist in administering your HSA. We may release nonpublic personal information regarding your HSA 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.

11.05 **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 HSA. 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 HSA. 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 HSA 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 HSA.

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

11.06 **Investment of Amounts in the HSA** – All custodial funds shall be invested solely in investment instruments issued by National Covenant Properties (known as National Covenant Properties HSA Certificates). All interest in National Covenant Properties HSA Certificates shall be reinvested and credited to the custodial account. Upon the maturity of National Covenant Properties HSA Certificates, the Certificates will be automatically renewed at the then prevailing interest rate and term unless you direct us in writing to the contrary. You have exclusive responsibility for and control over the investment of the assets of your HSA. All transactions shall be subject to any and all restrictions or limitations, direct or indirect, which are imposed by our charter, articles of incorporation, or bylaws; any and all applicable federal and state laws and regulations; the rules, regulations, customs, and usages of any exchange, market, or clearinghouse where the transaction is executed; our policies and practices; and this Agreement. We shall have no discretion to direct any investment in your HSA. We assume no responsibility for rendering investment advice with respect to your HSA, 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 HSA. In the absence of instructions from you, or if your instructions are not in a form acceptable to us, we shall have the right to hold any uninvested amounts in cash, and we shall have no responsibility to invest uninvested cash unless and until directed by you.

11.07 **Beneficiaries** – If you die before you receive all of the amounts in your HSA, payments from your HSA 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 HSA. 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 HSA. 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 acquires the interest in this HSA by reason of being the beneficiary at your death, this HSA (or in accordance with rules established by the IRS, the relevant portion thereof) will be treated as if the surviving spouse is the account owner.

If the beneficiary is not your spouse, the HSA (or in accordance with rules established by the IRS, the relevant portion thereof) will cease to be an HSA as of the date of your death.

Upon learning of your death, we may, in our complete and sole discretion, make a final distribution to a beneficiary (other than your spouse) of his or her interest in the HSA. This distribution may be made without the beneficiary's consent and may be placed in an interest-bearing (or similar) account that we choose.

11.08 **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 can resign as Custodian at any time effective 30 days after we mail written notice of our resignation to National Covenant Properties and to you. National Covenant Properties, as your agent, 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. 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 or distribution of your assets pursuant to this section.

If this agreement is terminated, we may charge to your HSA 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 HSA
- Any penalties or surrender charges associated with the early withdrawal of any savings instrument or other investment in your HSA

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 HSA to you in cash or property if the balance of your HSA drops below the minimum balance required under the applicable investment or policy established.

11.09 **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 HSA) is bought by another organization, that organization (or agency) will automatically become the trustee or custodian of your HSA, but only if it is the type of organization authorized to serve as an HSA trustee or custodian.

11.10 **Amendments** – We have the right to amend this Agreement at any time with the consent of National Covenant Properties. Any amendment we make to comply with the Code and related Regulations does not require your consent. In connection therewith, you delegate your right to amend this Agreement to National Covenant Properties. National Covenant Properties, as your agent, reserves the right to remove us, and designate a new custodian.

11.11 **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.

We may allow the return of mistaken distributions if there is clear and convincing evidence that the amounts distributed from the HSA were because of a mistake of fact due to reasonable cause. In determining whether this standard has been met, we may rely on your representation that the distribution was, in fact, a mistake.

In no event will we restrict HSA distributions to pay or reimburse only your qualified medical expenses. We may, however, on a case-by-case basis or as a matter of policy, place reasonable restrictions on both the frequency and the minimum amount of distributions from the HSA.

We may establish a policy whereby having a zero balance in your HSA may not cause the HSA to be closed. At our discretion, future contributions may be made to the HSA until you instruct us to close the HSA.

11.12 **Transfers from Other Plans** – We can receive amounts transferred to this HSA from the trustee or custodian of another HSA. In addition, we can accept rollovers of an eligible amount from an Archer MSA. We reserve the right not to accept any transfer or rollover.

11.13 **Liquidation of Assets** – We have the right to liquidate assets in your HSA if necessary to make distributions or to pay fees, expenses, taxes, penalties, or surrender charges properly chargeable against your HSA. 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.

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

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

11.15 **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.

11.16 **HSA Certificate** – This HSA Custodial Agreement constitutes your Health Savings Account Certificate as more fully described in the National Covenant Properties Offering Circular which accompanies this Agreement.

11.17 **Account Beneficiary's Certification** – The Account Beneficiary 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.

FINANCIAL DISCLOSURE

This custodial account is a Health Savings Account which invests solely in National Covenant Properties HSA Certificates. Covenant Trust Company, as Custodian of the custodial account will not exercise any investment discretion regarding your HSA, as this custodial account is only available for investment in National Covenant Properties HSA Certificates.

Because the Board of Directors of National Covenant Properties determines the interest rate of the National Covenant Properties HSA Certificates every six months, no projection of the growth of your HSA 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 HSA Certificate
Fees	None
Interest Rate	Determined semi-annually by National Covenant Properties

GENERAL INSTRUCTIONS

Section references are to the Internal Revenue Code.

WHAT'S NEW

Additional Tax Increased – For tax years beginning after December 31, 2010, the additional tax on distributions not used for qualified medical expenses increases from 10 percent to 20 percent.

PURPOSE OF FORM

Form 5305-C is a model custodial account agreement that has been approved by the IRS. An HSA is established after the form is fully executed by both the account owner and the custodian. The form can be completed at any time during the tax year. This account must be created in the United States for the exclusive benefit of the account owner.

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

For more information on HSAs, see Notice 2004-2, 2004-2 I.R.B. 269, Notice 2004-50, 2004-33 I.R.B. 196, Pub. 969, *Health Savings Accounts and Other Tax-Favored Health Plans,* and other IRS published guidance.

DEFINITIONS

Identifying Number – The account owner's Social Security number will serve as the identification number of this HSA. For married persons, each spouse who is eligible to open an HSA and wants to contribute to an HSA must establish his or her own account. An employer identification number (EIN) is required for an HSA for which a return is filed to report unrelated business taxable income. An EIN is also required for a common fund created for HSAs.

High Deductible Health Plan (HDHP) – For calendar year 2011, an HDHP for self-only coverage has a minimum annual deductible of $1,200 and an annual out-of-pocket maximum (deductibles, co-payments, and other amounts, but not premiums) of $5,950. In 2012, the $1,200 minimum annual deductible remains the same and the annual out-of-pocket maximum increases to $6,050. For calendar year 2011, an HDHP for family coverage has a minimum annual deductible of $2,400 and an annual out-of-pocket maximum of $11,900. In 2012, the $2,400 minimum annual deductible remains the same and the annual out-of-pocket maximum increases to $12,100. These limits are subject to cost-of-living adjustments after 2012.

Self-Only Coverage and Family Coverage Under an HDHP – Family coverage means coverage that is not self-only coverage.

Qualified Medical Expenses – Qualified medical expenses are amounts paid for medical care as defined in section 213(d) for the account owner, his or her spouse, or dependents (as defined in section 152) but only to the extent that such amounts are not compensated for by insurance or otherwise. With certain exceptions, health insurance premiums are not qualified medical expenses.

Custodian – A custodian of an HSA must be a bank, an insurance company, a person previously approved by the IRS to be a custodian of an individual retirement account (IRA) or Archer MSA, or any other person approved by the IRS.

SPECIFIC INSTRUCTIONS

Article XI – Article XI and any that follow it may incorporate additional provisions that are agreed to by the account owner and custodian. The additional provisions may include, for example, definitions, restrictions on rollover contributions from HSAs or Archer MSAs (requiring a rollover not later than 60 days after receipt of a distribution and limited to one rollover during a one-year period), investment powers, voting rights, exculpatory provisions, amendment and termination, removal of custodian, custodian's fees, state law requirements, treatment of excess contributions, distribution procedures (including frequency or minimum dollar amount), use of debit, credit, or stored-value cards, return of mistaken distributions, and descriptions of prohibited transactions. Attach additional pages if necessary.

REQUIREMENTS OF AN HSA

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

B. **Maximum Contribution** – The total amount that may be contributed to your HSA for any taxable year is the sum of the limits determined separately for each month. The determination for each month is based on whether, as of the first day of such month, you are eligible to contribute and whether you have self-only or family coverage under a high deductible health plan (HDHP). If you have self-only coverage, the maximum monthly contribution is 1/12 of $3,100 (for 2012). If you have family coverage, the maximum monthly contribution is 1/12 of $6,250 (for 2012). These 2012 limits are subject to cost-of-living increases. In addition, if you have attained age 55 before the close of the taxable year, the annual contribution limit is increased by an additional amount not to exceed $1,000 each year. The annual limit is decreased by aggregate contributions made to an Archer MSA and by any qualified HSA funding distributions from an IRA deposited into the HSA.

If you become HSA-eligible after the beginning of the year, you may make a full year's contribution up to the statutory contribution limit as long as you maintain eligibility during the testing period. The testing period begins the last month of the initial eligibility year and ends at the end of the 12-month period following that month. If you do not remain eligible during the testing period, you must include in your gross income the contributions made for the months that you were not otherwise eligible and pay a 10 percent penalty tax on the amount.

C. **Contribution Eligibility** – You are an eligible individual for any month if you (1) are covered under an HDHP on the first day of such month; (2) are not also covered by any other health plan that is not an HDHP and that provides coverage for any benefit covered under the HDHP (with limited exceptions); (3) are not enrolled in Medicare; and (4) are not eligible to be claimed as a dependent on another person's tax return.

In general, an HDHP is a health plan that satisfies certain requirements with respect to deductibles and out-of-pocket expenses. Specifically, an HDHP has an annual deductible of at least $1,200 (for 2012) for self-only coverage and at least $2,400 (for 2012) for family coverage. In addition, the sum of the annual out-of-pocket expenses required to be paid (deductibles, copayments, and amounts other than premiums) cannot exceed $6,050 (for 2012) for self-only coverage and $12,100 (for 2012) for family coverage. All of these dollar amounts may be adjusted annually for cost-of-living increases.

D. **Nonforfeitability** – Your interest in your HSA is nonforfeitable.

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

F. **Commingling Assets** – The assets of your HSA cannot be commingled with other property except in a common custodial fund or common investment fund.

G. **Life Insurance** – No portion of your HSA may be invested in life insurance contracts.

INCOME TAX CONSEQUENCES OF ESTABLISHING AN HSA

A. **HSA Deductibility** – If you are eligible to contribute to your HSA for any month during the taxable year, amounts contributed to your HSA are deductible in determining adjusted gross income up to the maximum contribution limits discussed above. The deduction is allowed regardless of whether you itemize deductions. Employer contributions to your HSA are excludable from your gross income and you cannot deduct such amounts on your tax return as HSA contributions.

B. **Contribution Deadline** – The deadline for making an HSA 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 HSA 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.

C. **Excess Contributions** – An excess contribution is any amount that is contributed to your HSA 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 HSA.

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 penalty taxes to the IRS.

D. **Tax-Deferred Earnings** – The investment earnings of your HSA are not subject to federal income tax until distributions are made (or, in certain instances, when distributions are deemed to be made).

E. **Taxation of Distributions** – Distributions taken from your HSA to pay for qualified medical expenses or to reimburse you for qualified medical expenses that you already paid are excluded from your gross income. Qualified medical expenses are amounts you pay for medical care (as defined in Internal Revenue Code Section (IRC Sec.) 213(d)) for yourself, your spouse, and your dependents (as defined in IRC Sec. 152), but only to the extent that such amounts are incurred after the HSA was established and are not covered by insurance or otherwise. For a general description of qualified medical expenses, refer to IRS Publication 502, *Medical and Dental Expenses,* available at www.irs.gov. Distributions made for purposes other than qualified medical expenses are included in your gross income and are subject to an additional 20 percent penalty tax. This additional 20 percent penalty tax will apply unless a distribution is made on account of (1) attainment of age 65, (2) death, or (3) disability.

Withdrawals from your HSA are not subject to federal income tax withholding.

F. **Rollovers** – Your HSA may be rolled over to another HSA of yours or may receive rollover contributions, provided that all of the applicable rollover rules are followed. Rollover is a term used to describe a tax-free movement of cash or other property between any of your HSAs. The general rollover rules are summarized below. These transactions are often complex. If you have any questions regarding a rollover, please see a competent tax advisor.

1. **HSA or Archer MSA to HSA Rollovers.** Assets distributed from your HSA may be rolled over to an HSA of yours if the requirements of IRC Sec. 223(f)(5) are met. A proper HSA to HSA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received. You may make only one rollover contribution to an HSA during a 12-month period.

   Assets distributed from your Archer MSA also may be rolled over to your HSA. A proper Archer MSA to HSA rollover is completed if all or part of the distribution is rolled over not later than 60 days after the distribution is received.

2. **Written Election.** At the time you make a rollover to an HSA, you must designate in writing to the custodian your election to treat that contribution as a rollover. Once made, the rollover election is irrevocable.

G. **Qualified HSA Funding Distributions** – If you are eligible to contribute to an HSA, you may be eligible to take a one-time, tax-free HSA funding distribution from your 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 HDHP coverage (i.e., self-only or family coverage) that you have at the time of the deposit, and counts toward your HSA contribution limit for that year. If you do not remain HSA-eligible (for reasons other than death or disability) for 12 months following the transaction, the amount of the transaction is subject to taxation and a 10 percent penalty tax. For further detailed information, see IRS Publication 969, *Health Savings Accounts and Other Tax-Favored Health Plans.*

H. **Beneficiary Issues** – If you die and your beneficiary is your spouse, your HSA (or the relevant portion thereof) will become your spouse's HSA as of the date of your death.

   If your beneficiary is not your spouse, the HSA (or the relevant portion thereof) will cease to be an HSA as of the date of your death.

   If the beneficiary is your estate, the fair market value of the account as of your date of death is taxable on your final tax return. For other beneficiaries, the fair market value of the account is taxable to that beneficiary in the tax year that includes the date of death.

LIMITATIONS AND RESTRICTIONS

A. **Deduction of Rollovers and Transfers** – A deduction is not allowed for rollover or transfer contributions.

B. **Prohibited Transactions** – If you or your beneficiary engage in a prohibited transaction with your HSA, as described in IRC Sec. 4975, your HSA will lose its tax-exempt status and you must include the value of your account in your gross income for that taxable year. Overdrawing your HSA is considered a prohibited transaction.

C. **Pledging** – If you pledge any portion of your HSA as collateral for a loan, the amount so pledged will be treated as a distribution and will be included in your gross income for that year.

OTHER

A. **IRS Plan Approval** – The agreement used to establish this HSA 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. **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 an HSA, 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.

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."

Certificate	Minimum Investment*	Term; Interest Rate
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 30th and December 31st
Demand Investment Accounts	$ 50	No stated term (Demand + 30 days written notice); Interest rate adjustable each June 30th and December 31st
Individual Retirement Account ("IRA") Certificates	$ 10	No stated term; Interest rate adjustable each June 30th and December 31st
Health Savings Account ("HSA") Certificates	$ 10	No stated term; Interest rate adjustable each June 30th and December 31st
403(b) Certificates	$ 10	No stated term; Interest rate adjustable each June 30th and December 31st

*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 CONVENANT 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

<u>ALABAMA RESIDENTS</u>

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.

<u>ARKANSAS RESIDENTS</u>

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.

<u>CALIFORNIA RESIDENTS</u>

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.

<u>FLORIDA RESIDENTS</u>

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.

<u>GEORGIA RESIDENTS</u>

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.

<u>INDIANA RESIDENTS</u>

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.

<u>KENTUCKY RESIDENTS</u>

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

<u>LOUISIANA</u>

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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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 re-payments; (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:

	Principal Maturities			
Year	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:

	Borrower	Amount Approved	Amount Drawn 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 30^{th} and December 31^{st} 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 1^{st} and July 1^{st} 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 30^{th} and December 31^{st} 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 30^{th} and December 31^{st} 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.

CAPINCROUSE LLP

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.

Capin Crouse LLP

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		December 31, 2014		December 31, 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

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.

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.

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
	288,101,722	272,500,089	269,632,159
Allowance for doubtful accounts	(2,065,050)	(1,809,500)	(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.

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
	288,101,722	272,500,089	269,632,159
Allowance for losses	(2,065,050)	(1,809,500)	(1,809,500)
	$ 286,036,672	$ 270,690,589	$ 267,822,659

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	-	-	(793,500)
End of year	$ 2,065,050	$ 1,809,500	$ 1,809,500

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.

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.

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%

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

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%

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.

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 MEASURESMENTS 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	$ -

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

	Total	Level 1	Level 2	Level 3
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	-
	$ 101,165,353	$ 14,259,653	$ 86,905,700	$ -

	Total	Level 1	Level 2	Level 3
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	-
	$ 88,129,579	$ 10,021,443	$ 78,108,136	$ -

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.

	2015		2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
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

8. FAIR VALUE MEASURESMENTS 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.

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

Type of Certificate	Current Interest Rate	Interest Payment Dates
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	(forthcoming)	June 30 and December 31 of each year