

PROSPECTUS

EASTERN PENNSYLVANIA CONFERENCE LOAN FUND OF THE UNITED
METHODIST CHURCH, MADISON AVENUE AND MONROE BOULEVARD,
MONTGOMERY COUNTY, C/O P. O. BOX 820,
VALLEY FORGE, PENNSYLVANIA 19482
PHONE: (610)-666-9090

OFFERING PERIOD: JANUARY 26, 2021 TO JANUARY 25, 2022

This prospectus contains essential information about the issuer and the securities being offered hereby. (Persons are advised to read this prospectus carefully prior to making any decisions to purchase these securities. Purchasers should also be aware of the two day right of withdrawal given to them under the Pennsylvania Securities Act of 1972 as described further herein under "Withdrawal of Acceptance" on Page 11.)

	Price	Discounts & Commissions	Proceeds to Applicants or Others
Per Unit	\$1,000.00 per \$1,000.00 Certificate	None	100%*
Total		None	100%*

DESCRIPTION OF SECURITY

Each investor receives a certificate in units of \$1,000.00 or more. Interest is payable on the certificate on a semi-annual basis. The certificate can be redeemed on sixty (60) days' written notice. The Loan Fund Board may increase or reduce rates with sixty (60) days' notice. The current interest rate is two and one quarter (2.25%) per cent per annum, which is subject to change.

*The Loan Fund will bear expenses of this issuance which are estimated at \$7,000.00.
The net proceeds of this offering will be \$1,493,000.00.

The securities offered hereby are referred to as "Certificates of Participation."

The Loan Fund seeks to raise \$1,500,000 by issuance of Certificates of Participation. The offer will be made to Pennsylvania residents only. This offering is being made by certain officers of the Eastern Pennsylvania Conference Loan Fund without the assistance of any brokers or dealers.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES, NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES ARE ISSUED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 3(a)(4) OF THE FEDERAL SECURITIES ACT OF 1933. A

REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS NOT BEEN FILED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION.

INDEMNIFICATION IN CONNECTION WITH VIOLATIONS OF THE PENNSYLVANIA SECURITIES ACT OF 1972 IS NULL AND VOID AS AGAINST PUBLIC POLICY.

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

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

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

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

INVESTORS ARE ENCOURAGED TO CONSIDER THE CONCEPT OF INVESTMENT DIVERSIFICATION WHEN DETERMINING THE AMOUNT OF CERTIFICATES OF PARTICIPATION THAT WOULD BE APPROPRIATE FOR THEM IN RELATION TO THEIR

OVERALL INVESTMENT PORTFOLIO AND PERSONAL FINANCIAL NEEDS.

THIS OFFERING IS SUBJECT TO CERTAIN RISKS DESCRIBED IN PAGES FIVE (5) AND SIX (6) OF THE PROSPECTUS AS WELL AS BEING SUBJECT TO MARKET RISKS.

This offering will be restricted to members of The United Methodist denomination, their family members and descendants of members of the United Methodist denomination, organizational units of the denomination, employees and clergy of the denomination and its units, and contributors to The United Methodist denomination.

TABLE OF CONTENTS

SUMMARY OF INFORMATION.....	4
RISK FACTORS	5
INTRODUCTION	6
Relation of the Fund to The United Methodist Church:	6
History of the Eastern Pennsylvania Conference Loan Fund of the United Methodist Church:	7
MANAGEMENT OF THE LOAN FUND.....	8
EPC Loan Board Members	8
USE OF PROCEEDS	10
DESCRIPTION OF THE NOTES.....	10
WITHDRAWAL OF ACCEPTANCE	11
LENDING FACTORS AND PROCEDURES	11
AUTHORIZATION OF ISSUE	12
INVESTMENT ACTIVITIES	12
TAX ASPECTS	12
LEGAL OPINION	13
REPORT TO INVESTORS.....	13
PLAN OF DISTRIBUTION.....	13
ADDITIONAL INFORMATION.....	13
FINANCING THE LOAN FUND ACTIVITIES.....	13
SCHEDULE OF MATURITIES ON OUTSTANDING LOANS.....	15
PURCHASES AND REDEMPTIONS.....	15
FIVE-YEAR SUMMARY OF STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	16
FINANCIAL STATEMENTS	16

- Statement of Financial Position
- Statement of Activities
- Statement of Cash Flows
- Notes to the Financial Statements

THE PENNSYLVANIA DEPARTMENT OF BANKING AND SECURITIES HAS NOT PASSED UPON THE MERITS OR QUALIFICATIONS OF OR RECOMMENDED OR GIVEN APPROVAL TO THE SECURITIES HEREBY OFFERED OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

SUMMARY OF INFORMATION

The Loan Fund:

The Loan Fund is a Pennsylvania non-profit corporation and qualifies as an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Its purpose is to support the mission of the Eastern Pennsylvania Conference of The United Methodist Church by making loans to United Methodist churches and agencies in order to assist church related construction or real estate purchase. The members of the Eastern Pennsylvania Conference are also the members of the Loan Fund. The Eastern Pennsylvania Conference is a separate corporation and has a different Board of Directors.

Use of Proceeds

The proceeds of this offering are used solely for paying the operating expenses of the Loan Fund and for making loans to United Methodist churches and agencies.

Management

The Loan Fund is managed by a Board of Directors of twelve persons. Eleven members are elected by the Eastern Pennsylvania Conference and the twelfth member is the Treasurer of Conference. The Board meets four times per year.

Description of Security

Each investor receives a certificate in units of \$1,000.00 or more. The minimum investment is \$1,000.00. Interest is payable on the certificate on a semi-annual basis. The current interest rate is two and one quarter (2.25%) per cent per annum. The certificate can be redeemed on sixty (60) days' written notice. The Loan Fund Board may increase or reduce rates with sixty (60) days' notice. The certificates provide general obligation financing which shall not be specifically secured by particular loans to specific borrowing entities.

Summary Income Statement

A summary of financial information for the Fund can be found in the accompanying financial statements and also at page 16 of the Prospectus.

RISK FACTORS

1. Unsecured Obligations. The Certificates of Participation are unsecured obligations of the Eastern Pennsylvania Conference Loan Fund; principal repayments and interest payments on the Certificates, therefore will be dependent solely upon the financial condition of the Loan Fund.
2. No Sinking Fund or trust indenture has been nor will be established by the Loan Fund to provide for repayment of the certificates of Participation.
3. No Senior Debt. The Board has no plans to offer debt that is senior to the certificates of participation, nor does it have any such debt at this time.
4. Not Transferable. The Certificates of Participation are not transferable without the consent of the Loan Fund. In addition, conditions on transfer of the Certificates of Participation may be imposed under the securities laws of Pennsylvania.
5. No Market Exists For These Certificates. There is no market for the Certificates and it is highly unlikely that a market will develop. Investors should therefore be aware that a Certificate can only be redeemed upon sixty days' notice.
6. Income Not Sufficient For All Investment Obligations. Although in prior years the Loan Fund's annual operating income has exceeded the interest requirements on its outstanding investment obligations, such income alone would not have been sufficient to meet all of the principal requirements on its outstanding investment obligations. See "Statement of Activities". The Loan Fund is therefore dependent upon principal repayments on its outstanding loans and cash receipts from the sale of its investment obligations to meet current requirements for the repayment of principal on its maturing obligations. As of December 31, 2019, the Loan Fund has unrestricted cash, marketable securities, and/or certificates of deposit in excess of 50% of the balance of Loan Fund obligations. There can be no assurance, however, that such ratio will be continued or that investments in excess of such policy requirements will be maintained. Further, there can be no assurance that the Loan Fund will continue to offer and sell its investment obligations in the future. See "Financing the Loan Fund Activities."
7. Changes in Laws. Changes in Pennsylvania law, rules or regulations regarding the sale of investment obligations of religious, charitable or other non-profit organizations may make it more difficult and costly for the Loan Fund to offer and sell its investment obligations in the future.
8. Investigate Other Investments. Other issuers may offer notes or investment obligations with a higher rate of return and/or which provide greater security and less risk than the Certificates of Participation.
9. Sixty Day Notice For Redemption. Interest rates may vary in the future. Investors should be aware that if commercial interest rates rise, the Loan Fund is not legally obligated to redeem a Certificate of Participation prior to the sixty-day notice period.
10. Taxable Income. Interest paid or payable on the Certificates of Participation will be taxable as ordinary income to an Investor regard- less of whether interest is paid or retained and compounded. See "Tax Aspects".
11. Loans Are To Related Organizations. The Loan Fund's loans are made primarily to its related organizations, including local churches. Loans are secured by a mortgage in most cases. If a loan is guaranteed by a Conference Agency, a mortgage may not be required. Also, some Loans are secured by a

security Agreement granted by a borrower on its investment portfolio held by the Mid-Atlantic United Methodist Foundation, Inc. In certain instances, the ability of local churches to repay their loans will depend upon the contributions they receive from their members. Both the number of members of a local church and the amount of contributions may fluctuate. Further, in view of the relationship of the Loan Fund with its borrowers, it has been willing in certain instances in the past to accommodate late payments. In this connection, the Loan Fund has not foreclosed on any real property security for a loan. The Loan Fund has certain current loan delinquencies. See "Financing the Loan Fund Activities".

12. Ability to Repay Dependent on Contributions. The Issuer's loans are made primarily to United Methodist churches and related religious organizations, including local churches, whose ability to repay the loans depend primarily upon contributions that they receive from their members.

13. Loan Policies Less Stringent. The loan policies of the Issuer for loans to its affiliated churches and its related religious organizations are less stringent than loan policies of commercial lenders.

14. Geographic Concentration of Loans. There are risks related to geographic concentration of loans to affiliated churches or other related organizations within a limited region, such that changes in economic conditions of that region could affect the ability of the churches or organizations, as a group, to repay the loans. The current loans are concentrated in Eastern Pennsylvania and Eastern Maryland.

15. An Economic Downturn. An economic downturn could cause contributions to local churches to decrease. This may cause some churches to fall behind or default on their loans to the Loan Fund. The weakened financial condition of some churches may make them ineligible to receive loans and therefore, make it difficult for the Loan Fund to have a sufficient number of loans to cover the interest payments on certificates of participation.

16. COVID-19 Global Pandemic. In December 2019, the 2019 novel coronavirus (COVID-19) surfaced in Wuhan, China. The World Health Organization declared a global emergency on January 30, 2020 with respect to the outbreak then characterized it as a pandemic on March 11, 2020. The outbreak has spread throughout world, causing companies and various jurisdictions to impose restrictions, such as quarantines, closures, cancellations and travel restrictions. While these effects are expected to be temporary, the duration of the business disruptions and related financial impact cannot be reasonably estimated at this time. At this point, the extent to which the coronavirus may impact our results is uncertain; however, it is possible that it could affect both the investment activities of the Loan Fund and our borrower's ability to repay. The impacts of the outbreak are unknown and rapidly evolving.

INTRODUCTION

Relation of the Fund to The United Methodist Church:

The United Methodist Church is a religious organization constituting one of the principal Protestant denominations in the United States. The law of the church (Book of Discipline) is amended by the General Conference, which meets once every four years and is composed of delegates representing each annual conference. The Eastern Pennsylvania Conference of The United Methodist Church is one of these annual

conferences and it meets each year.

The Eastern Pennsylvania Conference is a religious Pennsylvania non-profit corporation with its principal business office at 980 Madison Avenue, Norristown, PA 19403. It is subject to the laws of Pennsylvania and to The Book of Discipline of the United Methodist Church.

According to The Book of Discipline of the United Methodist Church in paragraph 2510, an annual conference cannot financially obligate The United Methodist or an organizational unit thereof except the Annual Conference itself.

The Eastern Pennsylvania Conference has the function of promoting, aiding, and representing the interests of the United Methodist churches, ministers and lay members within its boundaries. It is the successor by consolidation in 1969 to the Philadelphia Annual Conference of the Methodist Church and the Eastern Conference of the Evangelical United Brethren Church, both of which were Pennsylvania non-profit corporations.

History of the Eastern Pennsylvania Conference Loan Fund of the United Methodist Church:

The Loan Fund began in 1957 and was organized by the Eastern Pennsylvania Conference of the Evangelical United Brethren Church. The original Loan Fund assets were comprised of various funds of former United Brethren, Evangelical United Brethren and Methodists held for the purpose of making loans to churches, as well as gifts, bequests and offerings to the Loan Fund. The restrictions on gifts and legacies are carefully and fully honored.

The Eastern Pennsylvania Conference Loan Fund of the United Methodist Church is now a separate Pennsylvania non-profit corporation. Articles of Incorporation were filed with the Pennsylvania Department of State on December 14, 1979. The members of the corporation are the members of the Eastern Pennsylvania Conference of The United Methodist Church. The directors of said corporation are nominated and elected by the Eastern Pennsylvania Conference of The United Methodist Church.

Its purpose is to promote and support the mission of the Eastern Pennsylvania Conference of The United Methodist Church and also the other Annual Conferences in the Northeastern Jurisdiction of The United Methodist Church by the establishment and maintenance of a fund for the purpose of making loans to Conference churches and agencies for the promotion of missions and other deserving church related projects within the bounds of the Conference and the Northeastern Jurisdiction of The United Methodist Church. This offering of Certificates in units of \$1,000. is intended to raise \$1,500,000. to carry out that purpose. The offering is made to United Methodist Churches and agencies as well as Church members. Hereafter the Eastern Pennsylvania Conference Loan Fund of The United Methodist Church may be referred to as "Loan Fund". The Eastern Pennsylvania Conference of The United Methodist Church may be referred to as Conference".

MANAGEMENT OF THE LOAN FUND

The responsibility for managing the Eastern Pennsylvania Conference Loan Fund is with the Conference Loan Fund Board of Directors. The Conference members as defined in its Articles of Incorporation elect a Loan Board consisting of 11 persons. The term of office for each Board member is 4 years. The Conference Treasurer serves as the 12th member of the Board. The Conference itself has a separate Board of twelve trustees who are entrusted with management of the Conference.

The 11 members elected by the Conference are nominated by the Nominations Committee for the Annual Conference.

The Loan Fund meets at least quarterly each year. The members of the Loan Fund Board receive no compensation except for the Conference Treasurer who receives a Salary for his management of all conference activities, which is paid by the Conference. No Director has been convicted of any criminal proceeding (other than for traffic violations or other minor misdemeanors), is the subject of any pending criminal proceedings, or was the subject of any order, judgment or decree of any court enjoining such individual from any activities associated with the offer or sale of securities. The names of the members of the Board are as follows:

EPC Loan Board Members

JAMES D. ANDERMAN. (Class of 2023) James graduated from Lycoming College in Williamsport, PA in 1977 with a B.A. in business administration and from Moravian Theological Seminary, Bethlehem, PA IN 1996 with a Master of Divinity Degree. After college Jim spent 15 years in retail store management, primarily with Minnesota Fabrics (which was acquired by Hancock Fabrics) and Cloth World. In 1992 he became a part time local pastor in the Eastern Pennsylvania Conference of the United Methodist Church while pursuing his Master of Divinity Degree. Jim became a full-time pastor following the completion of seminary. He was ordained a deacon in 1996 and an elder in 1998. His current appointment is as pastor of Covenant United Methodist Church, Springfield, Delaware County, PA. Jim has previously served churches in Northampton and Carbon Counties.

JAMES P. BROWN MSA. (Class of 2021) Treasurer for the Eastern PA Conference. As Controller from November 2010, James assisted with the management of the Conference's operating budget, financial reporting, payroll and other essential duties and financial services. James was previously employed as Finance Director for the Latin American Community Center in Wilmington, and as Controller for the Garnet Valley School District. A graduate of Widener University in Chester, PA, James holds both Master and Bachelor of Science degrees in Accounting. James has over 25 years of nonprofit experience and is familiar with clergy tax law and with local churches in our conference.

EDWARD L. GROSS. (Class of 2020) Ed has extensive experience in the insurance industry. He worked for METLIFE Insurance Company for a number of years and served as a District Manager, Director of Management Training and also an Agency Vice President. He has completed a number of courses toward CLU. Ed received an AB Degree from the Goldey Beacom School of Business. He is very active in Community service and is a member of The West Chester United Methodist Church. Ed also serves on other non-profit Boards.

STEVEN J. HANDZEL (CLASS OF 2022) Steven is an Ordained Elder in Full Connection with

the Eastern Pennsylvania Conference of the United Methodist Church. He currently serves Marshallton United Methodist Church in West Chester, PA. He is also a practicing Certified Public Accountant licensed in the Commonwealth of Pennsylvania working primarily with not-for-profit organizations. He holds a BBA in accounting from the College of William and Mary, an MBA from West Chester University and an M.Div. from Palmer Theological Seminary.

JEFFREY A. PAISTE (Class of 2022) Jeffrey received a Bachelor of Science degree from Cornell University in 1977 and an MBA in Finance and Investment from George Washington University in 1982. After serving for five years as a Naval Officer and two years as an Engineer for the Department of the Navy, Mr. Paiste joined Air Products and Chemicals, Inc. of Allentown, PA as a project manager in 1984. In 1989, Mr. Paiste co-founded a small environmental services business, EnviroTech, and served as its Chief Financial Officer until the business was sold in 2005. From 2005 through 2011, Mr. Paiste provided financial management for his local United Methodist Church in Allentown, PA, as Chair of the Finance Committee, and he has served in other lay leadership positions since 2011. Mr. Paiste joined the Board of the EPA Loan Fund in July 2014.

DAVE SHEFFIELD. (Class of 2022) Dave is a retired executive who worked in the construction, industrial manufacturing and pharmaceutical industries over a 39 year career. He started his career in engineering and quickly moved into Finance, International Finance and later into Information Technology. He has held various Finance leadership positions including Division Controller and Director International Finance. In his International Finance role, he worked with international, regional and local banks to finance \$50-100M manufacturing plants in Asia and South America. During his career he managed global teams and enjoys working across cultures and time zones. Dave has BS in Construction Management and a MBA from Va Tech. Dave also earned certificates in Management Accounting (CMA) and Internal Audit (CIA). Dave retired from a global pharmaceutical firm as their CIO in 2012. Dave is enjoying retirement with his wife (Nancy) & family including 4 grandchildren. Dave and Nancy attend the Asbury United Methodist Church in Allentown PA.

FRANCES G. WHITTINGTON. (Class of 2020) Frances is a lifelong member of St. Daniel's United Methodist Church in Chester, Pennsylvania. She serves as a Church Trustee and member of the Finance Committee. She also serves as a Christ Servant Minister, and President of St. Daniel's United Methodist Women and is a Certified Lay Minister. Frances is employed in the financial industry at Vanguard. She works in the Institutional Business segment in the Communications Department and has been at Vanguard for 15 years.

RICK WRISLEY (Class of 2020) In 1977 Rick graduated from Penn State with an Associate degree in Computer Science, and started working for Penn State as a computer operator. Rick worked for HRB-Systems in State College, PA as a computer engineer while returning to school and graduating from Lock Haven University with a Bachelors in Computer Science and Math in 1985. Rick was recruited to GE/Martin Marietta/Lockheed Martin and again in 1999 graduated with a Masters in Management and Information Systems, from Penn State. Today Rick owns his own business as a Real Estate Consultant serving clients mostly in Bucks and Montgomery Counties after obtaining his Real Estate License in 2005. Recently he has expanded his business into Berks, Bradford, Chester and Lancaster Counties as well. Rick recently responded to and accepted his call to ministry by completing the Lay Minister Program in the Eastern Pennsylvania Conference and is exploring additional education opportunities that may lead to ordained Ministry.

Currently, Rick serves as Trustee and Lay Delegate to Annual Conference for his local Church, and on the East District Board of Church Location and Building, in addition to serving on the Eastern Pennsylvania Conference United Methodist Church Loan Fund Board.

LENORA THOMPSON (Class of 2023) Lenora is the President of The Thompson Group, a Leadership training, Program Development and Evaluation Consulting firm. She is an expert in training non-profit Boards of Directors and evaluating programs for business and non-profit organizations. She has extensive experience in serving on a wide variety of Boards. She served as lay leader for the Eastern Pennsylvania Conference for a number of years and is a member of Wharton Wesley United Methodist Church. She received a Master of Science Degree from the University of Pennsylvania in 1970 and resides in Philadelphia.

USE OF PROCEEDS

The net proceeds of this offering will be used for the purpose of making loans to churches and/or Conference agencies. Loans are granted to these organizations for the promotion of mission and other qualifying Church extension projects.

The proceeds of this offering will not be earmarked for any specific loan or loans; but the proceeds will be used for loans and no part thereof will be used for offering expenses. Loans are made in amounts from \$10,000 up to \$750,000.

All the proceeds not invested in loans will be invested in short term government securities, bank certificates of deposit, bank funds and deposits, bonds, or high-grade stock holdings.

DESCRIPTION OF THE NOTES

Each investor receives a Certificate of Participation certifying that the named investor has made an investment of a specific amount in the Loan Fund. Investments must be made in units of \$1,000.00 or more. The Certificates of Participation are offered for cash, and there are no financing terms available.

A Certificate of Participation is transferable only with the consent of the Loan Fund when properly endorsed and surrendered to the Loan Fund for cancellation.

Interest rates are set by the vote of the members of the Loan Fund as recommended by the Loan Fund Board. The members of the Loan Fund have authorized the Loan Fund Board to raise or lower the interest rate without approval of the members at its regular meeting not to exceed two percentage points in one calendar year. Any other change would require approval of the members. Investors will be given sixty (60) days' written notice of an interest rate change. The Board attempts to keep a one and one-half (1-1/2% per cent interest rate spread between the rate charged to borrowers and the rate paid to investors. The Board monitors rates charged by banks and tries to stay competitive to those rates. The goal is to raise sufficient funds through investments to provide low interest loans to Churches.

The currently effective interest rate is two and one quarter (2.25%) per cent per annum. The interest earned on each certificate of Participation is paid semi-annually as of May 31 and November 30.

The Certificates bear no maturity date. The Certificates may be redeemed in whole or in part upon sixty (60) days' notice to the investor. Interest is paid to the date of redemption.

WITHDRAWAL OF ACCEPTANCE

If you have accepted an offer to purchase these securities made pursuant to a prospectus which contains a written notice explaining your right to withdraw your acceptance pursuant to section 207(m)of the Pennsylvania Securities Act of 1972, you may elect, within two business days after the first time you have received this notice and a prospectus (which is not materially different from the final prospectus) to withdraw from your purchase agreement and receive a full refund of all moneys paid to you. Your withdrawal will be without any further liability to any person. To accomplish this withdrawal, you need only send a written notice (including a notice by facsimile or electronic mail) to the issuer (or underwriter if one is listed on the front page of the prospectus) indicating your intention to withdraw.

LENDING FACTORS AND PROCEDURES

All applications for local church loans shall be made through the Secretary of the Loan Board and must be signed by the Pastor, District Superintendent and an authorized representative of the Board of Trustees.

Each organization obtaining a loan shall execute a note providing for repayment of principal and interest on demand. Notwithstanding the fact that the Loan Fund holds Demand Notes, it may permit amortization of principal repayment for a maximum of fifteen years. Arrangements for extended repayment of principal are gratuitously made by the Loan Fund and are not intended to alter the rights of the Loan Fund contained in the note. Each Demand Note is to be signed by the Trustees of the local church, officers of the corporation or other authorized parties. The payment of interest on the notes shall be made as provided for in each note. The loan shall be made at rates of interest fixed by the members upon recommendations of the Loan Fund Board. Currently, loans bear four different interest rates (2.%, 4.%, and 4.25%.) The largest amount of outstanding loans (\$6,764,254.) have interest due at 4.25%. The only current rate available to new borrowers is 4.25%

Borrowers owning real estate also execute a mortgage as security for the loan. The Loan Fund requires a title report but not title insurance. In most cases it requires a first lien. It is estimated that at least Ninety(90%)per cent of the loans are secured by a first mortgage. Most loans without a mortgage are made to controlled organizations. Some Loans are secured by a security interest in the Borrower's investment portfolio held by the Mid-Atlantic United Methodist Foundation, Inc. The Pastor of the church and the District Superintendent also approve the Mortgage on the church property.

There have been material loan delinquencies over the past three years as follows:

12/31/2019 _____	\$766,497
12/31/2018 _____	\$789,096
12/31/2017 _____	\$800,032.

Expenses of operating the Loan Fund may be paid by the Conference Treasurer out of the interest earned by the loans. It is estimated that expenses involved with this offering will be \$7,000.00. The remaining accrued income at year end may be added to the permanent equity of the Loan Fund.

AUTHORIZATION OF ISSUE

The Board of Directors, by a resolution adopted in the October 28, 2020 meeting, authorized the issuance and sale of the Certificates of Participation and also authorized its proper corporate officers to do all things necessary to implement such resolution.

INVESTMENT ACTIVITIES

The Conference Loan Fund has a contract for investment advice and custody of assets with Eastern Pennsylvania Peninsula United Methodist Foundation, Inc. The Foundation provides multiple Equity Managers and two Bond Managers for investment advice. The Conference Loan Fund Board of Directors meets with the Executive Director of the Eastern Pennsylvania Peninsula United Methodist on a quarterly basis to review investment returns. The Loan Fund permits no more than forty-nine (49%) per cent of its investments in equities. The balance of the investments must be in fixed income obligations with options in multiple categories of fixed income. The responsibility for the asset allocation lies with the Conference Loan Fund Board of Directors.

The investments are also required to be socially responsible and companies that are significantly involved with tobacco, alcohol, pornography and weapons are avoided.

As of December 31, 2019, investment values consist of:

	INVESTMENT COST		MARKET VALUE	
Money Market Funds	\$105,709.00	2.11%	\$105,709.00	1.90%
Certificate of Deposit	\$50,000.00	1.00%	\$50,000.00	0.90%
Mutual Funds-Equity	\$2,007,440.00	40.09%	\$2,559,474.00	46.04%
Mutual Funds-Fixed Income	\$2,844,012.00	56.80%	\$2,844,012.00	51.16%
Totals	\$5,007,161.00	100.00%	\$5,559,195.00	100.00%

Realized and Unrealized gains for the last three years are as follows:

	REALIZED		UNREALIZED
12/31/2019	\$ 117,575	12/31/2019	\$ 552,034
12/31/2018	\$ 124,242	12/31/2018	\$ (514,999)
12/31/2017	\$ 192,777	12/31/2017	\$ 325,097

TAX ASPECTS

The purchase of a Certificate of Participation is not a donation to a religious organization. It is an investment. Interest paid on certificates must be declared as income by each holder recipient unless the holder is a tax exempt organization. Investors will not be taxed on the return of their principal purchase price. The Internal Revenue Service in a letter ruling has ruled that the Annual Conference and the departments thereof are exempt from income tax.

LEGAL OPINION

There is no material litigation now pending against the Loan Fund, nor are there administrative proceedings or claims pending against the Loan Fund. Legal matters in connection with this offering memorandum have been passed upon by Matthew Morley, Esquire, 213-215 W. Miner Street, Second Floor, West Chester, PA 19382. In connection therewith he has given his legal opinion to the effect that all of the notes to be issued pursuant to this offering will be valid and enforceable obligations of the Eastern Pennsylvania Conference Loan Fund of The United Methodist Church.

REPORT TO INVESTORS

The Eastern Pennsylvania Conference Loan Fund agrees that current audited financial statements will be made available to investors upon written request in addition to yearly statements within 120 days of the end of its fiscal year. Also a quarterly unaudited consolidated financial statement will be available to investors.

PLAN OF DISTRIBUTION

There is no underwriting or selling agreement with regard to the securities to be offered hereunder. There also will be no direct or indirect commissions paid in connection with this offer and sale of the Notes. Churches and church members may find information about the Loan Fund on the Conference website. (www.epaumc.com). A mailing to churches may be sent indicating securities are being offered for sale. Investors should contact the Conference Business office to arrange for the purchase of a certificate and to receive a Prospectus. (610-666-9090).

ADDITIONAL INFORMATION

A Registration Statement with respect to the securities offered by the Prospectus has been filed in the offices of the Pennsylvania Department of Banking and Securities in Harrisburg, Pennsylvania; and such Registration Statement includes certain exhibits only summarized or alluded to in this Prospectus; and such additional documents are available for inspection at the offices of the Department during regular business hours. The Department's contact information is: Pennsylvania Department of Banking and Securities, 17 North 2nd Street, Suite 1300, Harrisburg, PA 17101-2290. The telephone number is (717)787-8059 with office hours Monday through Friday 8:30 a.m. to 5:00 p.m.

FINANCING THE LOAN FUND ACTIVITIES

The repayment of principal and the payment of interest is dependent upon the financial condition of the Loan Fund. The primary source of funds available to the Loan Fund include receipts from interest owed on loans, and income from investments. (See statement of Activities for previous two years.)

The Conference Loan Fund had outstanding investment obligations amounting to \$9,788,598 as of 12/31/2019, \$10,781,551 as of 12/31/2018, and \$11,455,347 as of 12/31/17. The obligations to churches and individuals range from \$100.00 to \$400,656. The rate of interest paid to investors is two and one quarter (2.25%) per cent per annum.

As of 12/31/19 and 12/31/18 classification on Certificate holders and the aggregate amount held by each group is as follows:

<u>Certificate Holder</u>	<u>2019</u>		<u>2018</u>	
	<u>Number</u>	<u>Face Amount</u>	<u>Number</u>	<u>Face Amount</u>
Churches and Agencies	358	6,110,548	371	\$6,249,933
Individuals	368	3,678,050	386	\$4,531,618
	<u>726</u>	<u>9,788,598</u>	<u>757</u>	<u>\$10,781,551</u>

In addition to the sale of investment obligations, the Conference Loan Fund generates substantial funds for operations from the income received from its outstanding loans. These loans on churches bear interest at rates from 2% to 4.5% and are payable in regular installments. Payments can be adjusted by the Loan Fund as the financial condition of the church may require.

As of 12/31/17 material delinquencies on Church Loans were \$800,032. As of 12/31/2018 material delinquencies on church loans was \$789,096. As of 12/31/2019 material delinquencies on church loans was \$766,497. During the past five (5) years there were four (4) material loan defaults which were written off by the Loan Fund in the amount of \$347,929. The Board works with its auditors to establish a loan loss allowance for doubtful accounts which is \$506,906 as of 12/31/19.

In 2019 the largest of the loans to churches and agencies is to Covenant U.M.C. The loan had a principal balance of \$491,200 as of 12/31/19.

Other investments as of 12/31/19 and 12/31/18 are as follows:

	<u>12/31/2019</u>				<u>12/31/2018</u>			
	<u>At Cost</u>		<u>At Market</u>		<u>At Cost</u>		<u>At Market</u>	
Money Market Fund-	\$105,709.00	2%	\$105,709.00	2%	\$116,366	2%	\$116,366	2%
Mutual Fund- Fixed Income	\$2,844,012.00	57%	\$2,844,012.00	51%	\$3,145,933	50%	\$3,145,933	54%
Certificate of Deposit	\$50,000.00	1%	\$50,000.00	1%	\$50,000	1%	\$50,000	1%
Mutual Fund- Equity	\$2,007,440.00	40%	\$2,559,474.00	46%	\$2,989,427	47%	\$2,474,428	43%
Totals	\$5,007,161.00		\$5,559,195.00		\$6,301,726		\$5,786,727	

As of 12/31/2019, the Corporation had an unrealized holding gain on investments of \$552,034. As of 12/31/2018 the Corporation had an unrealized holding loss on investments of \$514,999, as reported on the audited Statement of Activities. The Corporation intends to hold the investments to maturity.

As of 12/31/2019, the Corporation had a realized gain on the sale of investments of \$117,575. As of 12/31/2018 the Corporation had a realized gain on the sale of investments of \$124,242.

At the present time, the Conference Loan Fund has entered into a contract for investment advice with

the Eastern Pennsylvania Peninsula-United Methodist Foundation. The Foundation has operated for over twenty-five years and currently contracts for investment advice with multiple equity and fixed income investment advisers. The Foundation reports to the Loan Fund on a quarterly basis. Its Trade name is Middle Atlantic United Methodist Foundation, Inc.

SCHEDULE OF MATURITIES ON OUTSTANDING LOANS

The notes held by the Loan Fund are all currently due because they are for a one-year term of repayment. However, as explained above, amortization of principal repayment for periods of up to fifteen years have been arranged. A schedule of the expected principal repayment is reproduced below:

	As of 12/31/2019	As of 12/31/2018
	NOTES	NOTES
Less than One Year	\$911,987	\$887,277
1 through 5 years	\$3,176,572	\$3,341,246
5 through 10 years	\$2,268,077	\$2,232,275
More than 10 years	\$884,875	\$669,210
	\$7,241,511	\$7,130,008

* EXCLUDES EXTRAORDINARY PREPAYMENTS AND RESCHEDULING

PURCHASES AND REDEMPTIONS

As explained above investors may purchase Certificates of Participation and may redeem them at any time upon sixty days' notice. The following is the total purchases and/or reinvested interest and redemptions for the last seven years.

	<u>Reinvested Interest and/or Purchases</u>	<u>Redemptions</u>
December 2019	\$252,478	\$1,245,431
December 2018	\$149,703	\$823,499
December 2017	\$161,213	\$896,859
December 2016	\$169,733	\$557,134
December 2015	\$177,192	\$1,855,515
December 2014	\$224,972	\$1,626,051
December 2013	\$288,811	\$1,016,462

FIVE-YEAR SUMMARY OF STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Cash/Cash Equivalents/ Marketable Securities	5,987,864	6,336,207	7,212,219	6,574,495	5,977,453
Revenue & Gains	1,112,605	138,317	1,014,524	605,589	245,912
Loans Receivable net of allowance for doubtful collection	6,734,605	6,630,907	6,682,333	7,608,498	8,394,216
% Unsecured	0%	0%	0%	0%	0%
% Delinquent	4.44%	6.80%	7%	5.00%	5.00%
Total Assets	12,805,322	13,046,382	13,963,611	14,243,670	14,406,125
Expenses	340,566	349,509	613,292	378,920	474,525
Notes Payable	9,788,598	10,781,551	11,455,347	12,190,993	12,578,393
Other Long Term Debt	0	0	0	0	0
Increase (Decrease) in Unrestricted Net Assets	772,039	-211,192	401,232	226,669	-228,613
Net Assets	2,997,547	2,225,508	2,436,700	2,035,468	1,808,799

FINANCIAL STATEMENTS

The following Financial Statements of the Eastern Pennsylvania Conference Loan Fund of The United Methodist Church for the year ended December 31, 2019, have been audited by O'Connell & Company, LLC. Certified Public Accountants, whose reports thereon are included herein.