

**STATEMENT OF POLICY REGARDING
CHURCH BONDS
CROSS REFERENCE SHEET**

ISSUER NAME: _____

<u>SOP Section or Subsection</u>	<u>OFFERING CIRCULAR Page Number</u>	<u>TRUST INDENTURE Page Number</u>	<u>EXHIBIT or Filing Reference</u>	<u>Footnotes - See General Instruction 3</u>
II. QUALIFICATION, LICENSING AND MARKETING REQUIREMENTS				
A. Qualification Requirements.				
1. Application forms and fees.	_____	_____	_____	_____
2. Assurances or representations by the ISSUER or UNDERWRITER, if applicable.	_____	_____	_____	_____
3. Documents filed (as applicable):				
a. OFFERING CIRCULAR;	_____	_____	_____	_____
b. Articles of Incorporation, Bylaws or other similar organizational documents;	_____	_____	_____	_____
c. Evidence of authorizations required by III.C.;	_____	_____	_____	_____
d. Opinion of legal counsel.	_____	_____	_____	_____
e. Specimen or form of CHURCH BONDS;	_____	_____	_____	_____
f. TRUST INDENTURE;	_____	_____	_____	_____
g. ESCROW AGREEMENT;	_____	_____	_____	_____
h. Subscription Agreement or similar document;	_____	_____	_____	_____
i. Underwriting Agreement;	_____	_____	_____	_____
j. Undertaking to file appraisal report or alternative evidence of the value of properties;	_____	_____	_____	_____
k. Undertaking to file environmental site assessment report, if applicable;	_____	_____	_____	_____
l. Undertaking to provide ISSUER's annual financial statements to the TRUSTEE;	_____	_____	_____	_____
m. Written consents of professionals;	_____	_____	_____	_____
n. Consent to service of process on Form U-2; and	_____	_____	_____	_____
o. Other documents required or requested.	_____	_____	_____	_____
B. Fees and Commissions.	_____	_____	_____	_____
C. Licensing Requirements.	_____	_____	_____	_____
D. Advertising.	_____	_____	_____	_____

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III. ORGANIZATION AND STRUCTURAL STANDARDS				
A. Organization and Structure.	_____	_____	_____	_____
B. Exemption from Federal Registration.	_____	_____	_____	_____
C. Authorizations.	_____	_____	_____	_____
D. Rank or Priority of CHURCH BONDS.	_____	_____	_____	_____
IV. FINANCIAL STANDARDS				
A. Financial Statements of the ISSUER.				
1. AUDITED FINANCIAL STATEMENTS.	_____	_____	_____	_____
2. Reviewed financial statements, if applicable.	_____	_____	_____	_____
3. Previous and Interim financial statements.	_____	_____	_____	_____
4. Compiled financial statements, if applicable.	_____	_____	_____	_____
5. Annual financial statements in future years.	_____	_____	_____	_____
6. Departures from GAAP.	_____	_____	_____	_____
B. Feasibility of the Offering – Issuer’s Ability to Repay Debt				
2. ADJUSTED INCREASE IN UNRESTRICTED NET ASSETS and DEBT-SERVICE RATIO Based on ISSUER’s last fiscal year. Schedule of SINKING FUND payments based on STRAIGHT LINE AMORTIZATION.	_____	_____	_____	_____
3. Debt-Service Standards.				
a. DEBT-SERVICE RATIO for last fiscal year.	_____	_____	_____	_____
b. Annualized DEBT-SERVICE RATIO based on ISSUER’s interim financial statements.	_____	_____	_____	_____
c. SINKING FUND and other long term debt payments as percent of ISSUER’s revenues.	_____	_____	_____	_____
d. Total long term debt compared to 4 times ISSUER’s revenues for last fiscal year.	_____	_____	_____	_____
e. Other material information to consider.	_____	_____	_____	_____
4. Pledge or building fund revenues.	_____	_____	_____	_____
C. Construction Costs and Completion.				
Evidence of costs and ability to complete project.	_____	_____	_____	_____
D. Debt to Value Ratio.	_____	_____	_____	_____

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IV.				
E. Appraisal and Appraiser Requirements.				
1. Appraisal report on value of property.	_____	_____	_____	_____
2. Appraiser credentials.	_____	_____	_____	_____
3. Alternative Valuation Method.	_____	_____	_____	_____
F. Impoundment of Proceeds in Escrow Account.				
1. Minimum proceeds specified.	_____	_____	_____	_____
2. ESCROW AGREEMENT and ESCROW AGENT.	_____	_____	_____	_____
3. Provisions for other financing or sale proceeds.	_____	_____	_____	_____
4. Provisions for return of proceeds and interest.	_____	_____	_____	_____
5. TRUSTEE as ESCROW AGENT.	_____	_____	_____	_____
6. Good cause for waiver or modified requirements.	_____	_____	_____	_____
V. TRUST INDENTURE STANDARDS				
A. General. Obligations of ISSUER and provisions to be specified under TRUST INDENTURE.	_____	_____	_____	_____
B. Duties of TRUSTEE to be specified under the TRUST INDENTURE.	_____	_____	_____	_____
C. Responsibility of TRUSTEE with respect to liability for performance of duties and actions or inaction under the TRUST INDENTURE.	_____	_____	_____	_____
D. Removal or Termination of TRUSTEE. Provisions to be specified under the TRUST INDENTURE.	_____	_____	_____	_____
E. Remedy of DEFAULT. Remedy provisions to be specified under the TRUST INDENTURE.	_____	_____	_____	_____
F. PAYING AGENT and SERVICE AGENT. Provisions for SINKING FUND payments based on STRAIGHT LINE AMORTIZATION or LIMITED GRADUATED PAYMENTS and reporting of any DEFAULTs to TRUSTEE.	_____	_____	_____	_____
G. Communications Among BONDHOLDERS. Provision for communications upon written request.	_____	_____	_____	_____
H. Reports by ISSUER. Provisions to require:				
1. Financial statements as required under IV.A.5.	_____	_____	_____	_____
2. Certificate or opinion of Appraiser.	_____	_____	_____	_____

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V.				
I. Reports by TRUSTEE or SERVICE AGENT.				
Provisions to require report for specified events.	_____	_____	_____	_____
VI. TRUSTEE QUALIFICATIONS.				
A. General qualifications of TRUSTEE and co-trustee(s).	_____	_____	_____	_____
B. Experience of TRUSTEE or its officers.	_____	_____	_____	_____
C. Conflicts of Interest. Representations or evidence that specified conflicts of TRUSTEE do not exist.	_____	_____	_____	_____
VII. OFFERING CIRCULAR				
A. COVER PAGE with specified disclosures and legends.	_____	_____	_____	_____
B. SUMMARY with specified summary information.	_____	_____	_____	_____
C. RISK FACTORS in specified format and content.	_____	_____	_____	_____
D. HISTORY AND OPERATIONS as specified.	_____	_____	_____	_____
E. PRIOR BORROWING EXPERIENCE	_____	_____	_____	_____
F. USE OF PROCEEDS with disclosure of:				
1. Specific uses of proceeds in tabular form.	_____	_____	_____	_____
2. Disclosure of other information if applicable.	_____	_____	_____	_____
3. Demonstration of sufficient minimum proceeds and disclosure of impoundment of proceeds in escrow.	_____	_____	_____	_____
4. Disclosure of alternative or additional financing.	_____	_____	_____	_____
G. CAPITALIZATION AND SUMMARY FINANCIAL INFORMATION as specified.	_____	_____	_____	_____
H. DESCRIPTION OF PRINCIPAL PROPERTIES	_____	_____	_____	_____
I. ENVIRONMENTAL ASSESSMENT as specified.	_____	_____	_____	_____
J. DESCRIPTION OF THE TERMS OF THE CHURCH BONDS and TRUST INDENTURE.	_____	_____	_____	_____
K. PLAN OF DISTRIBUTION as specified.	_____	_____	_____	_____
L. LITIGATION AND OTHER MATERIAL TRANSACTIONS involving ISSUER and officers.	_____	_____	_____	_____
M. TAX ASPECTS	_____	_____	_____	_____
N. CHURCH LEADERSHIP information as specified.	_____	_____	_____	_____
O. FINANCIAL STATEMENTS required by IV.A.	_____	_____	_____	_____
P. INVESTOR REPORTS as specified.	_____	_____	_____	_____
Q. REPORTS OR OPINIONS OF PROFESSIONALS	_____	_____	_____	_____