Prospectus

Rev. April, 2024

FORWARD
COMMUNITY INVESTMENTS

2352 South Park Street, Suite 326
Madison, Wisconsin 53713

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Milwaukee, Wisconsin 53204

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www.forwardci.org

Summary

This Prospectus describes the Promissory Notes (the “Notes”) that Forward Community Investments, Inc. (“FCI”) offers to our investors. We issue these Notes to help us raise funds we can then lend to mission-driven organizations and initiatives working to address racial and socioeconomic disparities in communities throughout Wisconsin, with a targeted focus on issues resulting from race and ethnicity. These loans may be used in a variety of ways consistent with our mission to promote equity, including but not limited to: expanding or improving affordable housing; strengthening community services and facilities, such as health care and early education; stabilizing and revitalizing neighborhoods; and promoting community economic self-sufficiency and neighborhood sustainability. In this document we intend to provide background information about FCI, explain the risks associated with purchasing the Notes, and provide all of the disclosures required by law.

Prospective investors should read this Prospectus carefully before deciding to invest, and must make their own evaluation of FCI and the terms of the Notes, including the merits and risks involved. Most importantly, we want our investors to understand that purchasing a Note does involve risk which we will explore the risk in detail in this document. It is our belief that the risks inherent in community investing are justified by the impact our investments make in pursuit of our mission to build healthier, fairer, more vibrant communities.

Investors can make a minimum investment of $10,000 in the Notes, with a minimum term of two years, though the preferred minimum term is three years. Investors may also select the interest rate that is agreeable to both the Investor and FCI. Investors receive interest payments annually (June 1). Principal is repaid at maturity or an investor can elect to renew an investment at the time of maturity.

There is no maximum offering amount, nor is there a limit on the number of investors. Therefore, we may issue the Notes to all qualified investors for offering amounts we determine at our sole discretion to best fit our needs and goals.

The Notes are obligations of FCI, a private nonprofit corporation that is recognized as tax- exempt under Section 501(c)(3) of the Internal Revenue Code (the “Code”). They are not guaranteed, insured, or otherwise secured in any way.

The Notes offered have not been registered under the Securities Act of 1933, as amended, in reliance upon available exemptions relating to securities issued by entities that are organized and operated exclusively for religious, educational, or charitable purposes and not for pecuniary profit. FCI is not registered as an investment company under the Investment Company Act of1940, as amended (the “Investment Company Act”). FCI’s employees, officers and directors are not registered as investment advisers under the Investment Advisers Act of 1940, as amended (the “Investment Advisers Act”), or as broker-dealers under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

The Notes are being offered in Wisconsin without registration under a discretionary exemption from the Wisconsin Department of Financial Institutions.

These securities have not been recommended by any Federal or State securities commission or regulatory authority. Furthermore, the foregoing authorities have not reviewed the merits of, nor confirmed the accuracy or determined the adequacy of, this disclosure document. Any representation to the contrary is a criminal offense.

There will not be an independent trustee or a trust indenture in connection with the issuance of the Notes. This means there is no trustee to act for the debtholders in the event we default on our Promissory Note obligations to our investors.

This offer may be withdrawn, cancelled or modified without notice at any time.

In preparing this Prospectus, we have given information that we believe is reliable and complete. However, we cannot guarantee its accuracy because the information and opinions expressed in it are subject to change without notice and neither the delivery of this Prospectus nor any issuance of the Notes shall, under any circumstances, create any implication that there has been no change in the operations or financial affairs of FCI since the date of this Prospectus. We encourage you to inquire or request additional information if you have any questions.

For more information, contact:

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Section I

Overview of Forward Community Investments

Background

Forward Community Investments, Inc., formerly known as "The Dane Fund," was established in 1994. We are incorporated as a Wisconsin non-stock corporation and recognized as exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. We are certified by the

U.S. Department of the Treasury as a Community Development Financial Institution ("CDFI"), a unique nongovernment entity established to provide credit, financial services, and other development services to underserved markets or populations.

We make loans and grants and provide advisory support to mission-driven organizations and for-profit minority and women owned businesses, initiatives, and coalitions throughout Wisconsin. We provide these loans and services on terms that are more favorable than generally available in the commercial market. Our services are provided at the lowest possible cost and at a margin of profit that is below the market rate. In addition to providing favorable terms, we strive to bring added value to our clients through our expertise in nonprofit strategy development, financial management, and governance.

Through our loans, grants and advisory services, we seek to support initiatives aimed at reducing racial and socioeconomic disparities. FCI clients are involved in addressing inequities through a variety of strategies, including but not limited to: expanding and improving affordable housing and access to community services; stabilizing and revitalizing neighborhoods; and promoting community economic self-sufficiency. The potential social impact of prospective clients is a critical factor in our lending decision.

Funding for our loans comes primarily from the proceeds of the sale of promissory notes to individual and institutional investors, including banks, credit unions, corporations, religious institutions, foundations and unions. Simply put, we borrow money from our investors, and lend the money to our clients. In this way, loans from our investors help our clients succeed with their work, by leveraging their investment dollars and recirculating repaid loans to other borrowers.

Our financing, coupled with quality advisory services, often makes the difference in whether or not a compelling project moves forward.

We often provide the "missing pieces" that few other lenders can offer. Whether we finance a big part of a small project or a small part of a big project, our loans are often a critical factor in the project's advancement. We have the patience and flexibility to remain committed to borrowers through lengthy public financing approval processes; to partner with small, midsize and emerging groups on their first projects; and to take on some of the most difficult development projects. Our willingness and ability to assist borrowers in ways that go beyond the traditional lender role enhances our clients' prospects for success both in terms of repaying the loan and achieving community impact.

As of December 2023, FCI experienced only four loan losses in its history, totaling less than $382,000, and can cite a handful of short-term delinquencies that were subsequently remedied either by repayment or restructuring. This record of responsible lending speaks to our efforts to mitigate the inherent risk through a combination of skillful underwriting, flexibility, and the advisory support we make available to borrowers.

Background on CDFIs

CDFIs are private financial institutions that are 100% dedicated to delivering responsible, affordable lending to help low-income, low-wealth, and other disadvantaged people and communities join the economic mainstream. By financing community businesses — including small businesses, microenterprises, nonprofit organizations, commercial real estate, and affordable housing — CDFIs spark job growth and retention in hard-to serve markets across the nation.

Four sectors of CDFIs have emerged to serve the broad range of needs in emerging domestic markets; the sectors include banks, credit unions, loan funds, and venture capital (VC) funds. FCI falls into the loan fund sector.

CDFIs are profitable but not profit-maximizing. They put community first, not the shareholder. For more than 30 years, they have had a proven track record of making an impact in those areas of America that need it most. CDFIs are needed because a growing gap exists between the financial services available to the economic mainstream and those offered to low-income people and communities.

In addition, mainstream financial institutions cannot sufficiently meet the capital needs of mission-driven organizations that provide critical community services and of small businesses that employ people and provide services in emerging domestic markets. Such organizations often have insufficient collateral to meet conventional banking standards or lack the capacity and resources to borrow from traditional financial institutions.

FCI's policies and practices are based on industry standards and best practices for CDFI loan funds.

Governance and Operation of FCI

Board of Directors

FCI is governed by a Board of Directors, which ranges in size from 9 to 13 directors. Our bylaws require that the Board consist of directors who are representative of the geographic area and racially diverse constituencies we serve, as well as the institutions, community groups, and professions with whom we partner to fulfill our mission. Directors serve without compensation.

In addition to the Board, FCI utilizes the expertise of many business professionals through its Lending Committee and Finance Committee. At all times these committees must consist of at least two directors. The names and affiliations of each current director, as well as members of our standing committees, can be found on our website at www.forwardci.org.

Officers

The officers of the corporation include the President, a paid staff person and a non-voting member of the Board. The Board elects the other corporate officers from among themselves, including Co-Chairs, Vice-Chair, Secretary and Treasurer; these board officers make up the Executive Committee of the Board. More information about the role of officers and the Executive Committee can be found in our bylaws, which are available upon request.

For more information about the Board, board governance and policies, our bylaws and Lending Policies are available upon request.

Employees

FCI is led and operated by a staff of professionals with extensive experience in banking, community development and nonprofit management. A listing of current employees, their respective positions, and contact information is available on our website at www.forwardci.org.

Section II

Special Risk Factors and Investment Considerations

Because of the nature of our business, the investment described in this Prospectus is subject to certain risks that should be carefully considered by any potential investor. The risks of the investment include, but are not limited to, the following:

FCI Borrowers

Certain Borrowers Will Not Meet Traditional Credit Qualifications

Because we factor potential positive community impact into our lending decisions, we make many loans to mission-based organizations that may be considered by conventional lenders to be undercapitalized or lacking sufficient operational experience or traditional credit qualifications.

Loan Collateralization

Our loan policy requires that our loans be secured by collateral with a valuation of at least 95% of loan value; however, there are exceptions to that policy. For example, we may not require full collateralization when it is not possible to obtain collateral, when such collateral is deeply subordinated or of marginal value, or when it is difficult to realize on such collateral. Also, some of our borrowers may have debt obligations to creditors with senior rights to the collateral that secures our loans; or as the value of the collateral changes, a loan may become under collateralized. This absence of full collateral or senior status may limit our ability to collect the full amount due from borrowers, which could result in losses to FCI.

Balloon Loans

Some of our loans require borrowers to make balloon payments. For example, we may permit a balloon payment when the amortization schedule is substantially longer than the length of the loan commitment. With this practice, there is an inherent risk that these borrowers may have difficulty refinancing at the time the balloon payment is due and not be able repay us on time. However, in this circumstance, FCI would mitigate this risk by working with the borrower to refinance the loan, consistent with FCI policies.

Method of Offering

Limited Financial Return

The Notes offer a low rate of return when compared to some other investments of comparable risk. In evaluating the advantages and disadvantages of these Notes, investors should consider the social impact of their investment. At the same time, investors must be aware that FCI cannot ensure particular outcomes on the projects it finances.

Variations Among Notes

The maturity date, interest rate and payment schedules for each Note will be separately negotiated by each investor. As a result, the terms of the Notes will vary. It is possible that these variations in terms and conditions may ultimately result in certain investors being fully repaid in accordance with the terms and conditions of their Notes, while other investors may be at greater risk or suffer losses. FCI, in its full discretion, will decide the order in which the Notes are paid.

There is No Public Market for the Notes

There is no secondary market for the Notes, meaning they are not transferable. An investment in a Note cannot be easily liquidated through sale or other transfer for value. Purchase of a Note should be viewed as an investment to be held to maturity. FCI cannot promise to pay back an investor early should the investor's circumstances change in a way that creates a need to request early repayment. Early withdrawals are only offered under exceptional circumstances, as determined at the full discretion of FCI. If FCI approves an early withdrawal, a penalty may be charged against interest earned on the Note. Specifically, monies withdrawn within the first year before interest has accrued will receive no interest payments. Monies withdrawn after the first year will receive a 50% penalty against the interest accrued in the current year in which the money is withdrawn.

The Notes Represent Unsecured Debt

The Notes issued to our investors are not secured. The collateral that secures the loans made to the FCI borrowers provide security only to FCI itself. FCI does not grant a security interest, mortgage, or pledge of any kind covering any property or assets of FCI as security for repayment of the Note. Principal repayments and interest payments on the Notes depend solely upon FCI's financial condition at the time the payments come due.

The Notes Are Not Insured

The Notes are not savings or deposit accounts or other obligations of a bank, and are not insured by the Federal Deposit Insurance Corporation (the "FDIC"), the Securities Investment Protection Corporation (the "SIPC"), any state bank insurance fund or other federal or state or governmental agency or any other entity.

There is No Maximum Offering Amount or Limit on the Number of Investors

In this offering, there is no maximum offering amount, nor is there a limit on the number of investors. Therefore, we may issue the Notes to all qualified investors for offering amounts we determine in our sole discretion to best fit our needs and goals, under this or an updated Prospectus.

Forward Looking Statements

This Prospectus contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, regarding our future strategy, results of operations, financial position, projected costs and expenses, projected use of proceeds, plans for repayment of the Notes, other prospects and plans and objectives for management are forward-looking statements. These statements relate to future events or our future financial performance. You should not place undue reliance on these forward-looking statements, know that such statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions. Should any of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may differ materially from those included within these forward-looking statements. We undertake no obligation to revise or update these forward-looking statements to reflect events or circumstances occurring after the date they are made or to reflect the occurrence of unanticipated events.

FCI Operations

Dependence on FCI's Financial Health

FCI's ability to repay our investors depends on the overall financial health of the organization. Our financial health is influenced by many factors, including our borrowers' ability to repay us, our ability to attract grants and donations, and our success in earning interest income. We expect to be able to cover our operating expenses through these various sources of income, but we cannot ensure that we will be successful. If we are not successful, we may have to use proceeds from the sale of Notes to pay these expenses. Also, if our borrowers fail to meet their repayment obligations, FCI may not be able to repay its investors. This risk is partially mitigated through FCI's management of its assets, which includes setting aside loan loss reserves and donated and earned equity capital to serve as a cushion against unexpected losses.

Tax Exempt Status

FCI is recognized as exempt from Federal taxes under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended ("Code"). If our operations or structure deviate significantly from the description given to the IRS, or if there are changes in Section 501(c)(3) of the Code, we may lose our tax-exempt status, which would threaten our continued viability.

Characterization of Investment for Tax Purposes; Securities Law Compliance

FCI relies upon certain exemptions under federal and some state (other than Wisconsin) securities laws for issuers who are organized for charitable purposes and in Wisconsin under an Order of Exemption that may be tied to FCI's charitable status. Changes in the treatment of such organizations under the tax laws, or our failure to continue to satisfy the present requirements of the tax laws, might be interpreted as a failure to satisfy the requirements of the securities laws exemptions as well. There is no assurance that we could then meet the compliance requirements under these laws.

No Assured Participation in Management

Control over FCI is exercised by our Board of Directors, which is self-perpetuating in that the nomination and election of directors is controlled by the same people who constitute the Board.

Dependence on Key Personnel

FCI is dependent upon the continued services of certain key personnel. The President and Chief Executive Officer or any member of the senior management team could leave FCI at any time, leaving a temporary vacancy in a key position. FCI tries to ensure a depth of management such that a departure will not impede the FCI's functioning but there is no assurance of continuity in the FCI's key personnel.

There Will Be No Independent Third Party to Protect Your Interests as Noteholders

In this offering, there will not be an independent trustee or a trust indenture in connection with the issuance of the Notes. This means there is no trustee to act for the debtholders in the event we default on our Promissory Note obligations to you.

Legal Proceedings

There are no legal or administrative proceedings now pending against FCI nor are there any such proceedings known by us to be threatened or contemplated.

Section III

Forward Community Investments Lending Policy and Procedures

FCI follows a detailed Lending Policy to help us invest prudently in the community and maximize our impact. We have developed credit criteria and application procedures to guide our evaluation of the fiscal soundness and managerial competence of prospective borrowers. Our standards and procedures are based on typical practices of other successful CDFIs. FCI's Lending Policy is available upon request.

Eligible Borrowers and Projects

FCI lends to a wide range of borrowers, including nonprofit corporations and their for-profit subsidiaries, joint ventures between nonprofit organizations and for-profit entities, for-profit sponsors (if the project meets the criteria of FCI's mission and vision), for-profit BIPOC emerging developers, for-profit minority and women owned businesses, housing or business cooperatives, faith-based organizations, community development corporations, public housing authorities, and tribal nations. We do not lend directly to individuals, although from time to time, we do accept guaranties from individuals or an individual may be a co-borrower with an eligible borrower.

Ineligible projects include church buildings for worship purposes; gaming enterprises; hotels; entertainment parks, and other projects deemed ineligible from time to time.

We assist our borrowers with a wide variety of loan products. The projects we support include, but are not limited to:

- Land acquisition;
- New construction, acquisition and rehabilitation of housing units and commercial real estate, including nonprofit facilities;
- Projects providing housing, jobs and/or services for low- to moderate-income individuals, minorities, female-headed households, people with disabilities, the homeless and elderly persons;
- Equipment/vehicle purchase for a community venture;
- Working capital and lines of credit;
- Funding for other development loan and equity funds through recapitalization agreements;
- Refinance of an existing loan if it can be proven that the refinance will result in relevant savings to the applicant/project to further strengthen their financial and organizational viability as determined by FCI; and
- Other projects that exhibit outcomes that are in line with FCI's mission, vision, and values.

A detailed list of all FCI borrowers is available upon request.

Evaluation of Potential Borrowers

Through our active presence in the Wisconsin communities, FCI staff is continually identifying and accepting inquiries from potential borrowers. We often have an initial conversation with potential borrowers and based on that conversation, may recommend that they submit an application. We thoroughly evaluate each application. The issues we consider include:

- The capacity and history of the borrower, including the longevity of the organization, its financial status, the expertise of its staff, and the strength of its management;
- The ability of the borrower to complete the project and the long-term economic viability of the project;
- The ability of the borrower to repay the loan and the potential collateral for the project;
- The degree of need and the number of people served by the project with priority given to projects providing benefits to low-income individuals and minorities, female-headed households, the physically disabled, the homeless and elderly; and
- The ability of the borrower to leverage other public or private funds for the project because of an investment from FCI.

Social Impact Eligibility

In addition to FCI's financial underwriting criteria, consideration will always be given to the intended use of loan proceeds and whether they will be used to provide an organization and/or project with the capacity and resources needed to promote racial and socioeconomic equity.

- Projects do not need to meet all criteria to qualify. In an effort to measure the social impact of an applicant and/or project, FCI will consider the following criteria:
- Applicant's mission alignment with FCI's
- Applicant's history
- Proposed economic impact
- Project affordability
- Expansion of services provided by the applicant/project
- Level of demonstrated community support
- Community demographics (i.e. unemployment rates; low-income households; children living in poverty, etc.)
- Community benefits
- Potential for the project to create catalytic impact
- Use of minority business enterprise (MBE) and women business enterprise (WBE) firms for construction and professional services

Lending Process

FCI staff conducts a thorough assessment of the risk involved with a loan request. Based on the risk and the information provided by the applicant, staff makes a recommendation to our Lending Committee, a body made of individuals with deep experience and community and economic development work, to approve or decline the request. Staff's recommendation is accompanied by detailed background and analysis.

If the request meets all relevant eligibility requirements, the Lending Committee, following thorough discussion and consideration of the recommendation and supporting information, can:

1. Approve the loan based on staff's original recommendation.
2. Approve the loan with additional conditions and contingences added to the original approval request.
3. Deny the loan request. The committee recommends one of these options to the President.

The President may approve the recommendation, reject it, or approve it subject to amendment. Depending on the size and risk assessment of the loan and in keeping with FCI's Authority Guidelines, the President may either give final approval of the loan or submit the loan to the Board of Directors for further consideration. Lending Policies are available upon request.

Section IV

Protections and Risk Management

While an investment made in FCI is not secured, we have taken many precautions to increase the protection of our investors:

Net Assets/Equity

FCI has roughly $15.68 million of total net assets (as of 12/31/23). Of those assets, $11.27 million are unrestricted with the remaining being restricted.

Allowance for Loan Loss Reserve

In the last nearly 30 years, FCI has lent close to $198.7 million and, during that time, has experienced only four minor loan losses with net charge-offs totaling less than $382,000. To guard against such losses, FCI maintains on average a 3.42% loan loss reserve based on the existing balance of its existing loan portfolio.

Loan Collateral

Virtually all of the loans FCI makes to its borrowers are secured by collateral that includes real estate, equipment, guarantees, cash or cash pledges, future gift pledges, contracts or other such collateral FCI deems acceptable and/or potentially available for liquidation. Though, while collateralized, FCI is not always 100% secured by collateral; it's not uncommon to be in a subordinate position to other lenders. In the event of a default, our first line of defense is to liquidate the collateral securing the loan. Only after we pursue all available collateral and repayment opportunities does FCI resort to its loan loss reserve.

Subordinated Loans

Of its total investor obligations, $15.1 million is classified as senior or subordinated loans payable. Similar to permanent capital, these loans are fully subordinated to the right of repayment of all other creditors. In other words, in the event of liquidation of FCI assets, these loans are on complete standstill to all other investors.

Monitoring Practices

FCI staff routinely monitors all loans to check on borrowers' progress and detect problems early. If we identify concerns, we have dedicated staff who work with the borrower or refer them to additional services to help them work out the issues.

We provide our Board and Lending Committee with an annual review of individual loan performance and compliance with reporting requirements. We also evaluate each loan according to an established risk rating system. Items we evaluate include payment history, financial statements, budget variance reports, and proof of insurance and other pertinent issues.

The outcome of our evaluation could result in reevaluation of the loan's risk rating and increased technical assistance and financial monitoring from FCI staff.

Equity, Loan Loss Reserves and Liquidity Reserves

In addition to funds received from investors through the sale of Notes, FCI is capitalized with earned income from its investments, fees for services it provides, and donations from foundations and individuals. These funds represent equity capital that can be applied to repay investors if necessary. FCI seeks to maintain a minimum of 20% of FCI's total capitalization as permanent equity capital. As of 12/31/2023, FCI's net asset ratio was 47.9%.

FCI uses the Current Expected Credit Loss – Weighted Average Remaining Maturity (CECL WARM) method to determine our loan loss reserves. This new model for determining our loan loss reserve was adopted in July of 2023 to align with amendments and guidance from the Financial Accounting Standards Board (FASB). This new process provides a forward-looking review of the financial risks in our lending portfolio and takes in account our historical loan losses. The reserves for newly originated loans are funded in the year they are closed.

Reserves are based on a combination of the risk rating assigned to individual loans and external macro-economic factors such as the Federal Funds rates, rental vacancies for the state of Wisconsin, and the Consumer Price Index. The Finance Committee reviews the level of the loan loss reserve on a regular basis. As of 12/31/2023, FCI had experienced only four loan losses and write-offs totaling less than $382,000.

Additionally, FCI maintains a cash liquidity reserve of approximately 80% of the rolling average of three years of anticipated investment maturities for the purposes of meeting commitments on loans and maturing investments. The reserve amount and calculation is reviewed by the finance committee on a regular basis. As of 12/31/2023, FCI has $3.11 million set aside for the liquidity reserve.

Maximum Loan Amounts

FCI also recommends a general maximum loan amount per project that is reviewed annually and approved by the Board. As of the date of this Prospectus, the maximum project amount is $600,000. Exceptions can be made at the recommendation of the Lending Committee, with the approval by the Board or if the loan is being participated in or sold to another lender. It is also FCI's policy not to lend more than 10% of its total capital to any one borrower or its related entities.

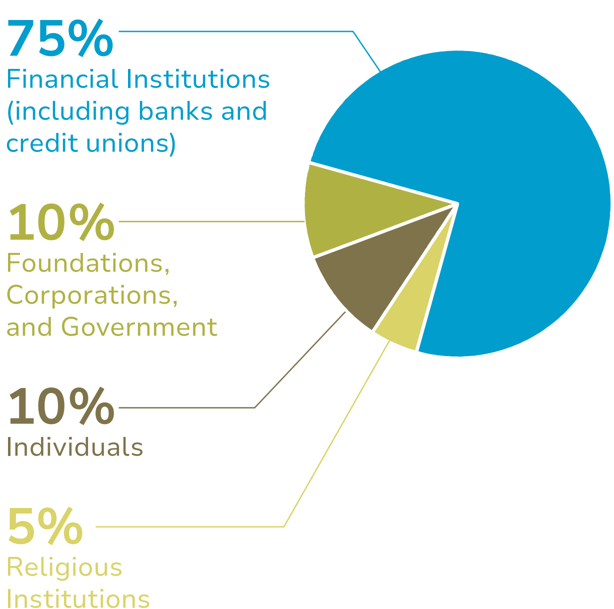
Section V

Description of Investment Offering

FCI works with its investors to determine the terms of the investment that will be beneficial to both the investor and FCI. FCI seeks to make loans that are affordable to our Borrowers; to do this, we rely on our investors and their willingness to accept a lower-than-market rate of return on their investments. The interest rates provided to our Borrowers are determined and fixed at the time of closing. Interest rates are determined based on a cost-of-funds plus a percentage that is negotiated with the Borrower, typically at 300 basis points.

Our Investors

FCI investors are primarily individuals and financial institutions. As of December 31, 2023 our investors included representation from the following categories (in the order from highest percentage to least):



FCI's Order of Exemption from the Wisconsin Department of Financial Institutions covers only individuals who are residents of Wisconsin or institutions that are incorporated in Wisconsin. For investors who are not based in Wisconsin, there may be other exemptions on which we rely under applicable state securities laws. As needed, we will take the steps necessary to comply with any other relevant state securities law requirements on a state-by-state basis.

Conditions of Investing in this Offering

Investment Size
For Wisconsin-based investors, the minimum investment is $10,000. For investors based outside of Wisconsin, the minimum investment is $20,000. There is no maximum amount.

Term
The minimum investment term is two years with a preference for terms starting at three years. Investors may designate their desired term in full-year multiples. Of course, it is in the best interest of FCI and its borrowers for our investors to commit to longer investment terms. When matching investor maturities with our borrowers' loan maturities, it allows us to make longer term loans to our borrowers.

Interest Rate
Investment interest rates are established by a mutual agreement between each individual investor and FCI. Interest rates do not exceed commercially reasonable market rates. The rate of return is typically, but not always, fixed throughout the term of the Note. Because our interest rate to our borrowers is based on the interest rate paid to our investors, it is always in the best interest of the borrowers and the community at-large to pay a lower rate of interest to our willing and socially-responsible investors.

Payback
Investors receive interest payments annually (June 1). Principal is repaid at maturity or an investor can elect to renew an investment at the time of maturity.

Early Withdrawal
Specifically, monies withdrawn within the first year before interest has accrued will receive no interest payments. Monies withdrawn after the first year may receive a 50% penalty against the interest accrued during the year in which the money is withdrawn.

Security
An investment in FCI is neither guaranteed nor insured. The financial stability of FCI depends on the sound management of FCI, the health of our borrowers' organizations, and the quantity and quality of collateral that borrowers offer in exchange for their loans. To date, we have met all our obligations on schedule for repayment of interest and principal. No investor has lost funds and we intend to continue to meet all of our obligations. However, past performance does not guarantee future repayment. Please read carefully the section entitled "Risk Factors" before deciding to invest in FCI.

Legal Documents
The specific terms of an investment are outlined in the Loan Subscription Agreement and the Promissory Note, both attached to this Prospectus as Exhibits.

1. To purchase a Note, the potential investor completes an Investor Application.
2. FCI will then provide the investor with the applicable Loan Subscription Agreement listing the loan amount, interest rate and term provided by the investor as part of the Investor Application.
3. After the Loan Subscription Agreement has been signed by both parties and the funds have been received, FCI will provide the completed Promissory Note to the investor.

Tax Considerations and Reporting

Although FCI is a tax-exempt organization, the principal that is invested in FCI is not a donation and consequently is not tax-deductible. Principal repaid to investors is a return on their capital investment and is not considered income. However, interest paid by FCI is taxable. For individuals, that income should be claimed on IRS Form 1040, Schedule B. FCI will provide an IRS Form 1099 to each investor indicating the interest disbursed on his or her investment by the IRS deadline that year. This Prospectus is not intended to provide legal or tax advice to potential investors. Investors are encouraged to consult their own tax advisors to determine the tax consequences to them.

External Audits

FCI undergoes annual external audits of its accounting systems to assure that the financial position, change in net assets, and cash flows are presented fairly and conform to U.S. generally accepted accounting principles. Annually, we provide our investors with a final copy of the Board-approved audit prepared by a third-party auditor. A summary of the preceding four years' financial position is included in the Exhibits.

Renewals and Redemptions

An FCI investor may elect to have his/her Note rolled over on the maturity date of the initial Note into a new Note on the same terms as the initial Note. FCI will notify the investor no less than thirty (30) days before the maturity date of the Note confirming that the initial Note will be rolled over into a subsequent Note on the same terms as the initial Note unless the investor indicates otherwise in writing prior to the rollover date.

Method of Sale

The Notes are sold through direct sale to the investors. We primarily identify investors through personal contacts. We do not participate in any underwriting or selling agreement arrangements. We do not offer or pay any commission, discount, finder's fee or other form of remuneration or compensation to any person or organization in connection with the offer and sale of the Notes.

Termination of Offering

FCI does not have a limit on the aggregate principal amount of Notes it may issue under this or any future offering, although we will only issue Notes consistent with sound financial practices as described in this Prospectus. We may continue this offering as long as we wish, or terminate the offering at any time.

Use of Funds

The funds raised through this offering are pooled with FCI's equity to make up the total pool of capital available for lending to our community borrowers, which we describe in more detail in Section II. We attempt to lend the funds as quickly as possible after receiving them, but during interim periods the funds are held in accounts and investments selected by FCI. Any interest and dividends that accrue while we are holding these investments accrue to FCI.

Through careful monitoring and scheduling of loans, FCI maintains appropriate liquidity and manages its cash flow. See Section IV for more information on FCI's Loan Loss Reserves and Liquidity Reserves.

In any given year, the majority of FCI's overall loan activity is fairly distributed between affordable housing and community facilities. Loans made for economic development purposes are the third most common type.

FCI provides its investors with periodic information about its activities through newsletters, general correspondence, social media, and various events. FCI also prepares internal quarterly financial statements, which are available to investors upon request.

Use of Interest Earnings and Administrative Expenses

FCI issues loans to our borrowers at an annual interest rate that enables FCI to pay interest to its investors and to cover FCI's operating expenses, including the staff costs of loan monitoring and the cost of setting aside loan loss reserves. Earned interest that exceeds what we need to cover these financial and operating costs is used to grow FCI equity.

FCI intends to use the funds raised through this offering only for capital purposes and not to pay the expenses of administration or expenses of the offering of these Notes. We intend to cover our expenses through investment income, grants and donations. However, we reserve the right to change this allocation of the proceeds if necessary.

Additional Information

Additional materials are available to prospective investors upon request, including our Amended and Re-stated Articles of Incorporation, Amended and Restated Bylaws, Application for Recognition of Exemption (IRS Form 1023), IRS determination letter, our most recent audited financial statements and income tax returns, our Loan underwriting guidelines, and sample Loan contracts. Our staff will provide any prospective investor with additional information relating to this offering and the organization that may be reasonably provided without undue expense.

This Prospectus was prepared by FCI. FCI's legal counsel has not independently verified the information contained in this Prospectus or otherwise made available to prospective investors in connection with any further investigation of the FCI, and therefore, they make no representations or warranties as to the accuracy or completeness of such information. Legal counsel has not performed any due diligence in connection with this offering or with respect to the information set forth in this Prospectus.

Exhibits

For current information about FCI, please visit our website at **www.forwardci.org**.

Exhibits include:

Three-year Audited Financial Summary

Most recent year-end internally prepared financial statements

Promissory Note

Loan Subscription Agreement Investor Application

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