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, and 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 $1,000 in the Notes, with a minimum term of one year, though the preferred minimum term is three years. Investors may also select the interest rate within the range of 0% to 2.0%. Investors can choose the frequency of their interest payments: semi-annually (June 1 and December 1), annually (December 1) or upon maturity (non-compounded). 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 of 1940, 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 debt-holders 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:

Forward Community Investments, Inc.
2045 Atwood Avenue, Suite 101A
Madison, Wisconsin 53704
Email: info@forwardci.org
Phone: 608/257-3863 or 866/687-1468
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, 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 2019, FCI experienced only three loan losses in its history, totaling less than $297,000, 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

Community development financial institutions (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. As mainstream lenders have increasingly consolidated and streamlined their operations, their connections to local communities have diminished.

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.

In the Opportunity Finance Network’s 2018 survey, 239 CDFIs responded to questions about their performance and financial health. The CDFIs in this data study managed $23.2 billion in assets at the end of FY 2018. Although that number represents a significant amount of capital for emerging domestic communities, it is still quite modest compared with the mainstream financial sector.

An especially interesting outcome of the survey was the favorable loan losses for CDFIs. Overall, the net loan charge-off rates for the surveyed CDFIs was 1.1%, slightly higher than the net loan charge-off rates of insured financial institutions in 2018 of 0.48%. CDFI delinquency rates are somewhat higher than their net charge-off rates, 1.34%. CDFIs are able to manage delinquencies through technical assistance and frequent contact with and monitoring of their borrowers. CDFIs also keep adequate loan loss reserves to further protect their investors.

FCI’s policies and practices are based on those followed by these successful loan funds. Having said that, we cannot guarantee that our results will be as successful as the CDFIs in the study referenced above but we do learn from their successes and failures.
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 at no less than 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 owe money 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 the 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 community 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 persons 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 it invest prudently in the community and maximize its 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), housing or business cooperatives, faith-based organizations, community development corporations, public housing authorities, and tribal nations. On a case-by-case basis, we will consider applications from for-profit entities engaged in socially responsible activities that benefit low- to moderate-income individuals. 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 for-profit housing development with 100% market rate units; 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 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 or by visiting our website at www.forwardci.org.
**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 the Lending Committee 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, or (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 $9.55 million of total net assets (as of 12/31/19). Of those assets, $6.2 million are unrestricted with the remaining being restricted.

Allowance for Loan Loss Reserve
In the last 25+ years, FCI has lent close to $170.7 million and, during that time, has experienced only three minor loan losses with net charge-offs totaling less than $300,000. To guard against such losses, FCI maintains on average a 6.0% loan loss reserve based on the existing balance of its existing loan portfolio. The adequacy of the loan loss reserve has been confirmed by an independent review of the 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, $4.3 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 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 a subsequent increase in our loan loss reserve.

In addition to our own internal review, the adequacy of our loan loss reserve is confirmed annually by an independent third-party bank review of our loan portfolio.

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 12/31/19, FCI’s net asset ratio was 35.3%.

Loan loss reserves are funded at every closing by setting aside from current income an amount corresponding to the risk rating of the loan. If a loan’s risk rating changes, additional loan loss reserves will be set aside.

The Finance Committee reviews the level of the loan loss reserve on a regular basis. As of 12/31/19, FCI had experienced only three loan losses and write-offs totaling less than $300,000 throughout its history.

Additionally, FCI maintains a cash liquidity reserve of 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 12/31/19, FCI has $2.1 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 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 the generosity of 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 or below 300 basis points.

Our Investors

FCI investors are primarily individuals and financial institutions. As of December 31, 2019, our investors included representation from the following categories (in the order from highest percentage to least):

- **70%** Financial Institutions (including banks and credit unions)
- **16%** Foundations, Corporations, and Government
- **10%** Individuals
- **4%** Religious Institutions

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 $1,000. For investors based outside of Wisconsin, the minimum investment is $5,000. There is no maximum amount.

Term
The minimum investment term is one year, 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
The accepted range of interest rates paid to investors is 0% to 2.0%, calculated on a 365-day year. The rate of return is 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 can choose the frequency of their interest payments: semi-annually (June 1 and December 1), annually (December 1) or upon maturity (non-compounded). 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 quarterly financial statements, which are available to investors upon request.

Use of Interest Earnings and Administrative Expenses

FCI issues loans to its community 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](http://www.forwardci.org).

Exhibits include:

* Four-year Audited Financial Summary
* Promissory Note
* Loan Subscription Agreement
* Investor Application
CDFIs MAKE AN IMPACT.

Since 1973
CDFIs (community development financial institutions) have worked for economic, social, and political justice.

MORE THAN 1,100 CDFIs
There are more than 1,100 certified CDFIs nationwide, of which more than 300 are OFN members.

$222 Billion
Nationwide, the CDFI industry manages more than $222 billion, creating jobs, affordable housing, financial health, and opportunity for all.


CDFIs Target Underserved Populations
Community development financial institutions (CDFIs) are dedicated to providing opportunities to underserved people and communities.

CDFIs Create Tangible Impact
CDFIs successfully provide a wide range of financing opportunities across the U.S.

CDFIs are Performance Oriented
With consistently low loan loss rates, CDFI lending is effective and successful in all economic conditions for investors and borrowers. FDIC banks’ net charge-off rate was 0.48% in 2018.

1.0% Net Charge-Offs
Source: OFN Annual Member Survey, 2018 www.ofn.org
<table>
<thead>
<tr>
<th>Asset Category</th>
<th>2020</th>
<th>2019</th>
</tr>
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<tbody>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$6,949,983</td>
<td>$5,551,863</td>
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<td>Certificates of deposit</td>
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<td>Receivables</td>
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<td>Accounts receivable</td>
<td>4,144</td>
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<td>755,000</td>
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<td>Prepaid expenses</td>
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<td><strong>OTHER ASSETS</strong></td>
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<td>Accrued interest less current portion</td>
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<td>Investments</td>
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<td>Certificate of deposit</td>
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<td>25,000</td>
<td>25,000</td>
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<td>Partnerships</td>
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<td>Cash surrender value of life insurance</td>
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<td>Endowment</td>
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<td>Property held for sale</td>
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<td>Property and equipment, net</td>
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<tr>
<td><strong>Total assets</strong></td>
<td>$30,787,523</td>
<td>$30,837,910</td>
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</tbody>
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FORWARD COMMUNITY INVESTMENTS, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2020 and 2019

<table>
<thead>
<tr>
<th>LIABILITIES AND NET ASSETS</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
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<tr>
<td>Payables</td>
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<td>Accounts payable</td>
<td>$ 22,978</td>
<td>$ 38,144</td>
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<td>Grants</td>
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<td>Participation loans</td>
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<td>Notes payable</td>
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<tr>
<td>Senior notes</td>
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<td>4,751,073</td>
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<td>Subordinated notes</td>
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<td>Paycheck Protection Program loan</td>
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<td>Deferred lease</td>
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<td>Liability</td>
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<td>Incentive</td>
<td>1,873</td>
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<td>NMTC escrow</td>
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<td>113,927</td>
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<td><strong>Total current liabilities</strong></td>
<td>3,589,553</td>
<td>5,810,077</td>
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<td><strong>LONG-TERM LIABILITIES</strong></td>
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<tr>
<td>Accrued interest payable less current portion</td>
<td>17,464</td>
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<td>Notes payable</td>
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<td>Senior notes less current portion</td>
<td>12,348,959</td>
<td>11,051,912</td>
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<td>Subordinated notes less current portion</td>
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<td>3,800,000</td>
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<td>Deferred lease</td>
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<tr>
<td>Liability less current portion</td>
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<td>5,524</td>
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<td>Incentive less current portion</td>
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<td>Assets held for others</td>
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<td><strong>Total liabilities</strong></td>
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<td><strong>NET ASSETS</strong></td>
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<tr>
<td>Without donor restrictions</td>
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<td>6,943,738</td>
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<tr>
<td>With donor restrictions</td>
<td>2,338,705</td>
<td>3,112,068</td>
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<tr>
<td><strong>Total net assets</strong></td>
<td>10,424,703</td>
<td>10,055,806</td>
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</table>

**Total liabilities and net assets**

$30,787,523  $30,837,910
<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2019</th>
</tr>
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<tbody>
<tr>
<td><strong>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</strong></td>
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<td></td>
</tr>
<tr>
<td><strong>OPERATING REVENUES AND GAINS</strong></td>
<td></td>
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<tr>
<td>Interest income on notes receivable</td>
<td>$1,157,031</td>
<td>$1,110,317</td>
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<td>Fees</td>
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<td>NMTC sub-allocation fees</td>
<td>450,000</td>
<td>554,082</td>
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<td>NMTC asset management fees</td>
<td>621,675</td>
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<td>Other</td>
<td>37,316</td>
<td>60,691</td>
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<td>Contributions</td>
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<td>Individuals, foundations, and corporate</td>
<td>222,688</td>
<td>43,563</td>
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<td>In-kind</td>
<td>2,755</td>
<td>12,650</td>
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<td>Investment return, net</td>
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<td>1,314</td>
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<td>Other earned income</td>
<td>18,700</td>
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<td>Gain on change for loan loss reserve</td>
<td>48,065</td>
<td>112,189</td>
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<td><strong>Total operating revenues and gains without donor restrictions</strong></td>
<td>2,559,039</td>
<td>2,436,698</td>
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<tr>
<td><strong>NET ASSETS RELEASED FROM RESTRICTIONS</strong></td>
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<tr>
<td>Satisfaction of program restrictions</td>
<td>903,271</td>
<td>828,931</td>
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<tr>
<td><strong>OPERATING EXPENSES</strong></td>
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<tr>
<td>Program services</td>
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<td>Community lending services</td>
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<td>93,676</td>
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<td>Supporting activities</td>
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<td>Management and general</td>
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<td>455,941</td>
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<td><strong>Total operating expenses</strong></td>
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<td>2,417,405</td>
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<td>Change in net assets without donor restrictions from operations</td>
<td>1,080,611</td>
<td>848,224</td>
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<tr>
<td><strong>NONOPERATING ACTIVITIES</strong></td>
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<tr>
<td>Non-controlling member contributions</td>
<td>61,649</td>
<td>62,153</td>
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<td><strong>Change in net assets without donor restrictions</strong></td>
<td>1,142,260</td>
<td>910,377</td>
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<td><strong>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</strong></td>
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<tr>
<td>Contributions</td>
<td></td>
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<tr>
<td>Governmental</td>
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<tr>
<td>Individuals, foundations, and corporate</td>
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<td>Investment return, net</td>
<td>129,908</td>
<td>152,354</td>
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<td>Net assets released from restrictions</td>
<td>(903,271)</td>
<td>(828,931)</td>
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<tr>
<td><strong>Change in net assets with donor restrictions</strong></td>
<td>(773,363)</td>
<td>109,423</td>
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<td><strong>Change in net assets</strong></td>
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<td>1,019,800</td>
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<td>Net assets at beginning of year</td>
<td>10,055,806</td>
<td>9,036,006</td>
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<tr>
<td><strong>Net assets at end of year</strong></td>
<td>$10,424,703</td>
<td>$10,055,806</td>
</tr>
</tbody>
</table>
# FORWARD COMMUNITY INVESTMENTS, INC.
## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
### December 31, 2018 and 2017

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
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<tr>
<td>Cash</td>
<td>$7,986,455</td>
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<td>Certificates of deposit</td>
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<td>778,077</td>
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<td>Current portion of unconditional promises to give</td>
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<td>Accounts receivable</td>
<td>6,205</td>
<td>63,436</td>
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<td>Current portion of notes receivable</td>
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<td>Accrued interest receivable</td>
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<td>33,196</td>
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<td>Prepaid expenses</td>
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<td>9,775</td>
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<td><strong>Total current assets</strong></td>
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<tr>
<td><strong>OTHER ASSETS</strong></td>
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<tr>
<td>Cash surrender value of life insurance</td>
<td>106,690</td>
<td>101,766</td>
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<tr>
<td>Endowment investments</td>
<td>691,013</td>
<td>754,776</td>
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<tr>
<td>Investments in partnerships</td>
<td>7,153</td>
<td>5,950</td>
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<td>Investments in bonds</td>
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<td>25,000</td>
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<tr>
<td>Building held for sale</td>
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<td>Property and equipment, net</td>
<td>41,999</td>
<td>16,850</td>
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<td>Unconditional promises to give less current portion</td>
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<td>10,000</td>
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<tr>
<td>Notes receivable less current portion, net</td>
<td>13,585,573</td>
<td>16,516,083</td>
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<tr>
<td><strong>Total assets</strong></td>
<td>$29,436,262</td>
<td>$27,943,140</td>
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<table>
<thead>
<tr>
<th>LIABILITIES AND NET ASSETS</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
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</tr>
<tr>
<td>Accounts payable</td>
<td>$66,125</td>
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<td>Current portion of accrued interest payable</td>
<td>199,978</td>
<td>164,571</td>
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<td>Accrued vacation and payroll</td>
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<td>Current portion deferred lease liability</td>
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<tr>
<td>Current portion deferred lease incentive</td>
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<td>NMTC escrow</td>
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<td>72,825</td>
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<td>Current portion of senior notes payable</td>
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<td>3,188,726</td>
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<td>Current portion of subordinated notes payable</td>
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<td><strong>Total current liabilities</strong></td>
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<td>3,661,507</td>
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<table>
<thead>
<tr>
<th><strong>LONG-TERM LIABILITIES</strong></th>
<th>2018</th>
<th>2017</th>
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</thead>
<tbody>
<tr>
<td>Assets held for others</td>
<td>90,686</td>
<td>86,501</td>
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<td>Deferred lease liability less current portion</td>
<td>7,268</td>
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<tr>
<td>Deferred lease incentive less current portion</td>
<td>7,803</td>
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<tr>
<td>Accrued interest payable less current portion</td>
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<td>Senior notes payable less current portion</td>
<td>12,209,666</td>
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<tr>
<td>Subordinated notes payable less current portion</td>
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<td>4,770,000</td>
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<tr>
<td><strong>Total liabilities</strong></td>
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<td>19,392,634</td>
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<table>
<thead>
<tr>
<th><strong>NET ASSETS</strong></th>
<th>2018</th>
<th>2017</th>
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</thead>
<tbody>
<tr>
<td>Without donor restrictions</td>
<td>6,033,361</td>
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<tr>
<td>With donor restrictions</td>
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<td>8,550,506</td>
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<table>
<thead>
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<th><strong>Total liabilities and net assets</strong></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$29,436,262</td>
<td>$27,943,140</td>
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## FORWARD COMMUNITY INVESTMENTS, INC.
### CONSOLIDATED STATEMENTS OF ACTIVITIES
#### Year Ended December 31, 2018 and 2017

### CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS
#### OPERATING REVENUES
<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
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<td>$464,067</td>
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<td>Interest income</td>
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<td>1,026,315</td>
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<tr>
<td>Lending services</td>
<td>689,415</td>
<td>1,364,655</td>
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<td>Investment return, net</td>
<td>32,479</td>
<td>8,001</td>
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<tr>
<td>Other earned income</td>
<td>29,360</td>
<td>15,388</td>
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<tr>
<td><strong>Total operating revenues without donor restrictions</strong></td>
<td><strong>2,526,686</strong></td>
<td><strong>2,878,426</strong></td>
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</table>

#### NET ASSETS RELEASED FROM RESTRICTIONS
<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction of program restrictions</td>
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<td>437,519</td>
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<tr>
<td>Expiration of time restrictions</td>
<td>60,000</td>
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<td><strong>Total net assets released from restrictions</strong></td>
<td><strong>1,128,125</strong></td>
<td><strong>447,519</strong></td>
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#### OPERATING EXPENSES
<table>
<thead>
<tr>
<th>Program services</th>
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<tbody>
<tr>
<td>Community lending services</td>
<td>1,619,804</td>
<td>1,680,990</td>
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<td>Community development services</td>
<td>141,217</td>
<td>214,247</td>
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<td>Community investments</td>
<td>414,877</td>
<td>503,820</td>
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<td>Supporting activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and general</td>
<td>464,521</td>
<td>394,927</td>
</tr>
<tr>
<td>Fundraising</td>
<td>170,647</td>
<td>152,449</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td><strong>2,811,066</strong></td>
<td><strong>2,946,433</strong></td>
</tr>
</tbody>
</table>

| Change in net assets without donor restrictions from operations | 843,745 | 379,512 |

### NONOPERATING ACTIVITIES
| Non-controlling member contributions                    | 69,461     | 62,151     |

| Change in net assets without donor restrictions         | 913,206    | 441,663    |

### CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS
| Contributions                                          | 763,443    | 1,079,322  |
| Investment return, net                                 | (63,024)   | 88,755     |
| Net assets released from restrictions                   | (1,128,125)| (447,519)  |

| Change in net assets with donor restrictions            | (427,706)  | 720,558    |

| **Change in net assets**                                | 485,500    | 1,162,221  |

| Net assets at beginning of year                         | 8,550,506  | 7,388,285  |

| **Net assets at end of year**                           | $9,036,006 | $8,550,506 |
Promissory Note

Periodic Interest Payment

FOR VALUE RECEIVED, the undersigned, FORWARD COMMUNITY INVESTMENTS, INC. ("Borrower"), a Wisconsin non-stock corporation at 2045 Atwood Avenue, Suite 101A, Madison, Wisconsin 53704, hereby promises to pay to the order of ___________________ ("Lender"), at ___________________ or such other address as the holder of this Note may designate in writing, the principal amount of __________ Thousand Dollars ($_______), together with simple interest at the rate of _____ percent (___%) per annum on the unpaid balance, on or by the date which is _______ (__) months after the Funding Date, as set forth in a certain Loan Subscription Agreement (the "Agreement") dated __________ between Borrower and Lender. Capitalized terms not otherwise defined herein shall have the meanings ascribed them in the Agreement.

Interest shall accrue from the date of this Note and, unless directed by the Lender to be less frequent, be paid semiannually on June 1st and December 1st (on interest earned through the previous day) with the final interest payment made with repayment of the outstanding principal of this Note. Interest shall be computed on the basis of a 365- or 366-day year, as applicable, for the actual number of days elapsed.

This Note is the Note referred to in, and is entitled to the benefits of, the Agreement, pursuant to the terms of which Lender has agreed to lend to Borrower the principal amount set forth in the preceding paragraph. Upon failure of Borrower to repay the principal of and interest on the Note on or before the date such payment is due, and the continuation of such failure for thirty (30) days after written notice to Borrower, Lender may declare the entire unpaid principal balance and all accrued interest immediately due and payable by providing the Borrower with written notice in accordance with Section 14 of the Agreement. Reference is made to the Agreement for additional terms of the loan evidenced by this Note, including provisions relating to the remedies of the holder of the Note. In the case of any conflict between the provisions of the Note and the provisions of the Agreement, the provisions of the Agreement shall govern and control the rights and obligations of the parties hereto.
This Note may be prepaid, in whole or in part, at any time or from time to time, without premium or penalty. All prepayments shall be applied first to accrued interest, then to the principal of this Note.

All payments or prepayments of principal and interest due pursuant to the Agreement and this Note shall be made by check in United States dollars to Lender at Lender’s address set forth above, or at such other address as Lender shall have designated to Borrower in writing.

Borrower hereby waives presentment, demand for payment, notice of dishonor, protest and notice of protest of this Note, and agrees to perform and comply with each of the covenants, conditions, provisions and agreements of Borrower contained in the Agreement. No alteration, amendment or waiver of any provision of this Note or the Agreement, made by agreement of the holder of this Note and any other person or party, shall constitute a waiver of any other term of this Note, or otherwise release or discharge the liability of Borrower under this Note.

**Forward Community Investments, Inc.**  
*A Wisconsin nonstock corporation*

_______________________________________ ________________________________  
Tracy Hubbard, CFO  
Date
Loan Subscription Agreement
for Non-Member Wisconsin only

THIS AGREEMENT, made on this day, ____________, between ____________ ("Lender"), whose address is ____________, and FORWARD COMMUNITY INVESTMENTS, INC. ("Borrower"), a Wisconsin not-for-profit corporation, having its principal mailing address at 2045 Atwood Avenue, Suite 101A, Madison, Wisconsin 53704.

WITNESSETH:

WHEREAS, Borrower is a not-for-profit corporation organized under the Wisconsin Nonstock Corporation Law, (Chapter 181 of Wisconsin Statutes), to act as an intermediary between socially responsible investors and those individuals and groups located in or serving economically disadvantaged communities in the State of Wisconsin and in need of affordable capital;

WHEREAS, to carry out its corporate purposes, Borrower is engaged in providing and servicing loans for housing and economic development, small business enterprises and nonprofit service agency facilities that Borrower believes will strengthen the long-term economic base of the Wisconsin communities in which they are located (the "Community Loans");

WHEREAS, to obtain funds necessary to carry out its corporate purposes, Borrower is accepting grants and loans from individuals and organizations; and

WHEREAS, The Lender is willing to lend to Borrower the principal amount of ____________ Thousand Dollars ($____________) to enable Borrower to provide Community Loans.

NOW, THEREFORE, in consideration of the foregoing and the mutual and dependent covenants set forth below, the parties to this Agreement agree as follows:

1. Agreement to Make Loan. Subject to the terms and conditions of this Agreement, Lender hereby lends to Borrower, and Borrower hereby accepts from Lender, the principal amount of ____________ Thousand Dollars ($____________) to enable Borrower to provide Community Loans.
Dollars ($__________), (such loan, together with any additional advances pursuant to Section 5 of this Agreement are referred to collectively as the "Investor Loan").

2. **Interest.** Interest shall accrue on the outstanding principal balance of the Investor Loan at the rate of __________ percent (________%), starting from the date of Borrower’s receipt of the principal amount of the Investor Loan (the "Funding Date"). Accrued interest shall be paid in semi-annual installments on June 1 and December 1, unless Lender directs in writing less or more frequent distributions.

3. **Repayment.** Borrower agrees to repay to Lender the entire principal amount of the Investor Loan, together with any accrued and unpaid interest, on or by the date that is __________ months after the date of the Funding Date, unless Lender requests renewal of the Investor Loan and Borrower consents. If Lender and Borrower agree to renew, this Agreement shall automatically renew for another term of __________ months on the same terms as this Agreement unless the parties mutually agree to a different interest rate.

4. **Promissory Note.** On the Funding Date, Borrower shall execute and deliver to Lender a promissory note in the form attached to this Agreement (the "Note"), evidencing Borrower’s obligation to repay the Investor Loan together with interest thereon at the Interest Rate. If Lender and Borrower agree to renewal, pursuant to Section 3, the new term of the Note shall be for the term set forth in Section 3 and Borrower shall issue a new Note.

5. **Additional Principal.** Lender may, at any time with Borrower’s consent, increase the principal amount of the Investor Loan. If the principal of the original Investor Loan is subsequently increased, (a) Borrower shall cancel the original Note, and Borrower shall execute and deliver a new note evidencing the increased amount of the Investor Loan ("New Note"), (b) interest at the Interest Rate shall accrue on any such additional principal starting from the date on which the additional amount is deposited, and (c) the entire principal amount shall be repaid on the date described in Section 3 above, or on any other date that shall be agreed upon in writing by Lender and Borrower. Upon increase of the principal amount of the Investor Loan by delivery of the New Note evidencing such increased amount, the parties agree that this Agreement shall thereby automatically be amended such that the total amount of the Investor Loan, as evidenced by the New Note, shall constitute the "Investor Loan" for purposes of this Agreement, and the New Note shall constitute the "Note" for purposes of this Agreement. By executing and delivering the New Note, Borrower thereby certifies that all representations and warranties made by Borrower in this Agreement are true and correct as of the date of the New Note.

6. **Optional Prepayments.** Borrower shall have the right at any time and from time to time to prepay the Note in whole or in part without premium or penalty, upon ten (10) days’ prior written notice to Lender. Each such prepayment shall be applied first to accrued interest and then to principal.

7. **Payments.** All payments of principal and interest due under this Agreement and under the Note shall be made by check payable to the order of Lender at its address referred to above, or in immediately available funds by transfer to Lender’s account at such bank as Lender shall have previously designated in writing to Borrower, or at the option of Lender, in such manner and at such place in the United States as Lender shall have designated to Borrower in writing.
8. **Early Withdrawals.** FCI, in its sole discretion, may consider Lender requests for acceleration of repayment. If FCI approves an acceleration, a penalty will 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 and before maturity will receive a 50% penalty against the interest accrued in the current year in which the money is withdrawn.

9. **Representations and Warranties of Borrower.** Borrower hereby represents and warrants to Lender to the best of Borrower’s knowledge and belief, as of the date of this Agreement, as follows:

   a. Borrower is a nonstock corporation duly organized and validly existing under the laws of the State of Wisconsin and has received a letter from the Internal Revenue Service determining Borrower to be exempt from tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code);

   b. Borrower holds all licenses, authorizations, consents and registrations required by applicable law, and that it has the power and authority to own its assets and to carry on its business and operations as now being conducted, and that the amount of the Investor Loan is within the Borrower’s available borrowing power; and

   c. Borrower has taken all action necessary to authorize the execution and delivery of this Agreement and the Note; this Agreement is, and the Note, when signed, shall be, the valid and binding obligation of Borrower; neither the execution and delivery of this Agreement by Borrower nor the consummation by Borrower of the transactions contemplated by this Agreement shall constitute a violation or breach of (i) Borrower’s Articles of Incorporation, (ii) Borrower's bylaws, (iii) any provision of any contract or other instrument to which Borrower is a party or by which it is bound; or (iv) any order, writ, injunction, decree, statute, rule or regulation; and no further consent, order, authorization or other approval of any governmental body or agency is required in order for Borrower to execute, deliver and perform this Agreement or the Note.

   d. There is no suit, action, or proceeding pending before any court or arbitrator or any governmental body, agency or official affecting the Borrower, nor does the Borrower know of the threat of any such suit, action or proceeding that might materially and adversely affect the Borrower's financial position, the results of its operations, or its ability to perform any of its obligations under this Agreement or Note, or that may affect in any way the validity and effectiveness of this Agreement or Note.

   e. For purposes hereof, (i) the Prospectus and all other information Borrower has furnished to Lender or made available through its website is true, accurate and complete and that there are no material omissions that could render the disclosure misleading; (ii) Borrower has disclosed to Lender in writing any and all facts that may materially and adversely affect Borrower's financial position or its ability to perform its obligations under this Agreement and the Note; and (iii) Borrower shall hold Lender harmless from any and all liabilities (in tort, contract, or otherwise) relating to any information provided to Lender.
10. **Borrower's Covenants.** Borrower hereby covenants with Lender as follows:

   a. As long as the Note or any portion of the Note remains unpaid, Borrower shall make available to Lender upon request as soon as available after the end of each fiscal year of Borrower, but no more than 180 days, the audited financial statements of Borrower;

   b. Borrower shall maintain its valid existence and its good standing as a Wisconsin nonstock corporation, and shall notify Lender within three (3) days of the termination of its valid existence or good standing as a Wisconsin nonstock corporation;

   c. Borrower shall maintain its tax-exempt status under Section 501(c)(3) of the Code, and shall notify Lender within three (3) days of the termination of its tax-exempt status;

   d. Borrower shall make all payments required by this Agreement and the Note and carry out the terms of this Agreement and the Note; and

   e. Borrower shall use its best efforts to comply with all material state and federal statutory and regulatory provisions applicable to Wisconsin nonstock corporations issuing securities, including those requiring the filing of returns, reports and other information, and shall maintain in full force and effect all licenses, approvals and permits necessary for the execution of the Investor Loan and the carrying out of Borrower's business and operations, as well as comply with and observe all the conditions and restrictions contained in or imposed by any such licenses, approvals or permits.

   f. Upon written notice from Lender, Borrower shall permit Lender or a person designated by Lender to visit and inspect Borrower's offices during regular business hours; examine the applicable business records, accounting books, and tax returns; and request from Borrower's officials and receive promptly information about Borrower's activities, operations, and financial position.

11. **Use of Investor Loan Proceeds.** Lender and Borrower hereby acknowledge and agree that the proceeds of the Investor Loan shall be used only for the following purposes:

   a. Borrower shall utilize the principal amount of the Investor Loan for the purpose of providing Community Loans for projects selected by Borrower in its sole discretion ("Loan Purpose"), and shall manage the Community Loans diligently and efficiently and in accordance with safe and sound financial practices and consistent with this Agreement. Borrower shall use its best efforts to utilize the entire principal amount of the Investor Loan for the Loan Purpose.

   b. Subject to Section 11.a., to the extent that the proceeds of the Investor Loan, or any portion of the Investor Loan, are not immediately used for Community Loans, Borrower may deposit the proceeds from this Investor Loan, or any portion of such proceeds, into an interest-bearing account or accounts; Lender expressly acknowledges that Borrower may commingle the proceeds from this Investor Loan with other monies of the Borrower, including, without limitation, proceeds of other Investor Loans, grants, donations and other revenues;
c. Interest or other income, if any, earned by Borrower with respect to the original principal amount of the Investor Loan (whether such interest or income represents interest received by Borrower upon repayment of Community Loans or interest or other income earned on the Investor Loan proceeds while in the interest-bearing account(s) described in subparagraph (b) above) may be used by Borrower, in its sole discretion, for any of its corporate purposes, including, without limitation, the following:

(i) to pay interest due on the Investor Loan or principal or interest due on other borrowings made by Borrower;

(ii) to pay the administrative and operating expenses of Borrower;

(iii) to make Community Loans;

(iv) to contribute to the loan loss reserve established by Borrower; and

(v) to contribute to a pool of loan capital established by Borrower.

12. Representations, Warranties and Acknowledgments of Lender. Lender hereby acknowledges, represents and warrants to Borrower as follows:

a. Lender acknowledges that Lender has received and read a copy of the Borrower’s current Prospectus; Lender acknowledges that no representations have been made to Lender by Borrower or any of Borrower’s directors, officers or employees that are inconsistent with the information contained in the Prospectus; Lender acknowledges that Lender has received satisfactory responses from Borrower to any and all inquiries that Lender may have made concerning Borrower, this Agreement, the Note and Prospectus; Lender further acknowledges that Lender has been afforded an opportunity by Borrower to examine any of Borrower’s documents which are material to this Agreement and which Lender sought to examine after reasonable notice;

b. Lender acknowledges that the Note offered under this Agreement has not been registered under the Securities Act of 1933, as amended, in reliance upon available exemption thereunder relating to securities issued by entities which are organized and operated exclusively for religious, educational, or charitable purposes and not for pecuniary profit. The Lender further acknowledges its understanding that the Note is offered in Wisconsin without registration based upon an Order of Exemption from the Wisconsin Department of Financial Institutions.

c. Lender represents that it is an individual whose primary residence is in Wisconsin or that it is a Wisconsin corporation or organization that is organized under the laws of Wisconsin.

d. Lender acknowledges Lender's understanding that the Investor Loan is a below-market interest rate loan; Lender has agreed to such below-market terms in order to support Borrower's objectives of providing Community Loans;
e. Lender acknowledges that Borrower has disclosed to Lender that the interest rate charged by Borrower on Community Loans shall bear no relationship to the interest payable under the Investor Loan, but rather shall be determined by Borrower, in its sole discretion, based upon a given project’s need for funds and ability to repay, Borrower’s overall cost of funds and similar factors,

f. Lender acknowledges and agrees that, although Borrower intends to use the proceeds of the Investor Loan to provide Community Loans to borrowers selected by Borrower, Lender’s only recourse for repayment of the Investor Loan shall be against Borrower. Lender understands that in no event shall Lender have any recourse against projects financed by Community Loans, entities to which Borrower provides Community Loans, or other persons or entities providing loans or grants to Borrower;

g. Notwithstanding f., above, or any other provision in this Agreement, Lender’s right to payment by FCI of its obligations under this Agreement and the New Note is not subordinate to any other unsecured creditor of FCI, and this Agreement shall be interpreted to achieve that effect.

h. Lender has not requested, nor has Borrower agreed to make, a grant of any security interest, mortgage, pledge or the like covering any property (real and personal, tangible and intangible) or assets of Borrower as security for repayment of the Investor Loan;

i. Lender shall acquire the Note for Lender’s own account, for investment purposes only, and not with a view to, or for, resale, distribution or fractionalization of the Note, in whole or in part, and no other person shall have a direct or indirect beneficial interest in such Note;

j. Lender has the financial ability to bear the economic risk of Lender’s investment, has adequate means for providing for Lender’s current needs and personal or other contingencies and has no need for liquidity with respect to Lender’s investment in the Note;

k. Lender is not relying on Borrower or the Prospectus with respect to tax or other economic considerations involved in this investment;

l. Lender shall not sell or otherwise transfer the Note; and

m. If Lender is a corporation, partnership, trust, estate or other entity, it is empowered, authorized and qualified to acquire and hold the Note, and the person signing this Loan Subscription Agreement on behalf of such entity has been duly authorized by such entity to do so.

13. Default. There shall be an "Event of Default," and Lender shall have the remedies set forth in Section 14 of this Agreement, upon the occurrence of any one or more of the following:

a. Borrower fails to repay the principal and interest on the Note on or before the date such payment is due.

b. Any representation or warranty made by Borrower under this Agreement is false or fraudulent in any material respect.
c. Borrower fails to timely observe or perform any of the covenants or duties contained in this Agreement or the Note.

d. A material adverse change occurs in Borrower's financial condition.

e. Lender at any time believes in good faith that the prospect of payment or performance under this Agreement or the Note is impaired.

14. Lender's Remedies. If an Event of Default shall occur, Lender may exercise all or any of the following remedies:

a. After thirty (30) days written notice to Borrower, unless the relevant Event(s) of Default are cured within thirty (30) days after Lender gives written notice to Borrower and Borrower actually receives or refuses to accept receipt specifying such Event(s) of Default (provided, however, that if such default is susceptible of cure but cannot reasonably be cured within such thirty (30) day period and provided further that Borrower shall have commenced to cure such default within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for an additional fifteen (15) days); then the unpaid principal and any interest under the Note shall, at the option of Lender, mature and become immediately due and payable, whether or not then payable in accordance with the terms of the Note, without presentment, demand or protest, all of which are hereby expressly waived. No delay in accelerating the maturity of any obligation as provided in the preceding sentence or in taking any other action with respect to any Event of Default shall affect the rights of Lender later to take such action with respect to such Event of Default, and no waiver as to a prior occasion shall affect rights as to any other Event of Default, and Lender’s receipt of any payment on the Note after the occurrence of an Event of Default shall not constitute a waiver of the default or the Lender’s rights and remedies upon such default; or

b. The unpaid principal and any interest under the Note shall automatically mature and become immediately payable in the event Borrower becomes the subject of bankruptcy or other insolvency proceedings; or

c. Lender Rights: Upon default, Lender may, at its election, hire an attorney or other third party to help collect the unpaid amounts under the Note. Subject to any limits under applicable law, Borrower shall also pay Lender’s reasonable fees and expenses in connection with the foregoing. Such fees and expenses shall also include any reasonable attorneys’ and court costs for collection and/or bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), or appeals in connection with any anticipated post-judgment collection service. Without affecting the liability of Borrower, Lender may, without notice, accept partial payments and, from time to time, renew or extend the time for payment.
15. Miscellaneous.

a. Notices. All notices, requests, demands, consents, waivers and other communications given under any of the provisions of this Agreement shall be in writing and shall be delivered or mailed, and if mailed, shall be deemed given when deposited in the mail first-class, postage prepaid, registered or certified mail, return receipt requested, sent to the parties’ respective addresses first written above or such other address as the addressee may have specified in a notice duly given to the sender;

b. Entire Agreement. Subject to Section 5, this Agreement and the Note contain the entire agreement of the parties to this Agreement with respect to the transaction contemplated by this Agreement, and no change, modification or waiver of any provision of this Agreement or the Note shall be valid unless in writing, and signed by the party to be bound.

c. No Waiver. No delay or failure on the part of Lender in exercising any rights under this Agreement or the Note, as applicable, and no partial or single exercise of such rights, shall constitute a waiver of such rights or of any other rights under this Agreement or the Note.

d. Other Parties. Nothing in this Agreement shall be construed as giving any person, firm, corporation or other entity other than the parties to this Agreement any right, remedy or claim under or in respect of this Agreement or any provision of this Agreement.

e. Applicable Law. This Agreement and the Note shall be governed by and construed in accordance with the laws of the State of Wisconsin except to the extent such laws are preempted by federal law.

f. Venue. Borrower consents that venue for any legal proceeding relating to this Agreement and/or collection of the Note shall be, at Lender’s option, the county in which Lender has its principal office in this state, the county in which Borrower resides or the county in which this Agreement was executed, and Borrower submits to the jurisdiction of any such court.

g. Survival of Representations, Warranties, and Agreements. All representations, warranties and agreements in this Agreement shall survive until the expiration of the term of this Agreement, except to the extent that a representation, warranty or agreement expressly provides otherwise.

h. Severability. If any provision of this Agreement or the Note shall for any reason be held to be illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect any other provision of this Agreement or the Note, but this Agreement and the Note, as applicable, shall be construed as if such illegal, invalid or unenforceable provision had never been contained in this Agreement or the Note, as applicable.
IN WITNESS THEREOF, the parties to this agreement have duly executed this Agreement as of the date first above written.

LENDER:

_________________________________________ Forward Community Investments, Inc.
Organization if Lender is not a natural person

_________________________________________
Tracy Hubbard
Print Authorized Signatory’s Name

_________________________________________
CFO
Title of Authorized Signatory

_________________________________________
Authorized Signature

_________________________________________
Tax I.D. Number (for organization)
or Social Security Number (for natural person)
Required for Form 1099 on Interest Bearing Notes.

Date

Addendum

Would you be willing to assist Forward Community Investments by giving permission to publicly mention and/or publish your (or your organization’s) name as an Investor in the Fund? Such permission shall not mention the amount of the Investor Loan.

☐ YES, I give such permission to publicly mention and/or publish my name as an investor in the Fund with the understanding that such permission does not extend to mention the amount of this Investor Loan.

☐ NO, I prefer my investment to remain anonymous.
Investor Application

Please complete and return to Forward Community Investments, 2045 Atwood Avenue, Suite 101A, Madison, WI 53704

Part 1. General Information

Investor (please check one): Individual □ Entity □
Investor is domiciled/incorporated in Wisconsin (please check one): Yes □ No □

Name (First, Mi, Last or Name of Entity) ____________________________
Social Security No. or Tax ID No. ___________________________________

Address ____________________________________________________________
City ____________________________ State ____________________________ Zip Code __________
Daytime Telephone No. ____________________________ Email ____________________________

If an Entity, Type of Entity (partnership, corporation, trust) ____________________________
If an Entity, Jurisdiction of Formation of Incorporation ____________________________

Joint Investor (if applicable)

Name (First, Mi, Last or Name of Entity) ____________________________
Social Security No. or Tax ID No. ___________________________________

Address (Complete only if different from above) ____________________________
City ____________________________ State ____________________________ Zip Code __________
Daytime Telephone No. ____________________________ Email ____________________________
Part 2. Proposed Terms of Investment

* NOTE: If you are not domiciled in Wisconsin, the minimum investment is $5,000.

Principal Amount  $____________________________  *Must be at least $1,000*

Interest Rate  ________________________%  *Must be 0% to 2.0%*

Term  ☐ 3 years  ☐ 5 years  ☐ 10 years  ☐ Other ____ years  *(Preferred minimum is 3 years)*

Frequency of Interest Payment  *(Please check one)*
☐ Semi-annually on June 1 and December 1
☐ Annually on December 1
☐ Non-compounded interest held until maturity of loan

Interest Payments  *(Please check one)*
☐ Send interest payments to the address listed in Part I, General Information
☐ Send interest payments to a different address:

__________________________________________________  ________________________________________________________

Name of Recipient  Company Name

__________________________________________________  ________________________________________________________

Address  City  State  Zip Code

Telephone No.  Social Security Number*  *(Note: The form 1099 will be issued to this SSN)*
Part 3. Accredited Investor Qualification *(for individuals only)*

NOTE: *We do NOT need this information for Wisconsin-based investors.*
*If you are domiciled in Wisconsin and prefer not to complete this section, please disregard.*

To be an “accredited investor” an individual investor must meet at least one of the two following standards:

**NET WORTH TEST:** Is your current net worth, including the current worth of your spouse/partner (if married/eligible to file jointly), in excess of $1,000,000?

- [ ] Yes. If yes, you are qualified.
- [ ] No. You must qualify under either the net worth or income test. Please see below.

**Explanation:** In calculating net worth, you may include your equity in personal property and real estate, including cash, short-term investments, stock and securities; except that that the value of your primary residence **must be excluded**. The amount of any indebtedness that is secured by a primary residence up to the value of the residence may also be excluded in determining net worth, but any such indebtedness in excess of the value of the residence should be considered a liability and deducted from your net worth. Inclusion of your equity in personal property and real estate should be based on the fair market value of such property less debt secured by such property.

**INCOME TEST:** (1) In each of the two most recent years, was your individual gross income (from all sources) in excess of $200,000 or was your joint gross income with your spouse/partner (if married/eligible to file jointly) in excess of $300,000? **AND** (2) For this year, do you anticipate that your gross income (from all sources) will reach the same level as the previous two years?

- [ ] Yes. If yes, you are qualified.
- [ ] No. You must qualify under either the net worth or income test. Please see above.

**Explanation:** In determining income for this purpose, you should add to your adjusted gross income any amounts attributable to tax-exempt income received, losses claimed as a limited partner in any limited partnership, deductions claimed for depletion, contributions to an IRA or Keogh retirement plan, alimony payments, any amount by which income from long-term capital gains has been reduced, and contributions to retirement plans to the extent that your rights to such contributions are vested, in arriving at adjusted gross income. Unrealized capital appreciation in securities generally may not be included in calculating income.

*If you are not qualified under either the net worth or income test, please contact Forward Community Investments and we will work with you to establish eligibility through other exemptions.*
Part 4. Repayment of Loan to Estate or Bequest Provision
(for individuals only)

Some individual lenders to Forward Community Investments wish to designate that, in the event of their death before the maturity of the loan, the loan automatically be discharged as a general bequest – converted to a gift to Forward Community Investments. If you would like to designate that your loan be converted to a gift in the event of your death before the loan’s maturity, please check the box below and sign where indicated.

☐ In the event of my death prior to maturity date of this loan, I hereby bequeath the full value of this loan, including any accrued or unpaid interest or, alternatively, the following amount ($__________________) of this loan or the following percentage (_______ %) of this loan to Forward Community Investments.

☐ In the event of my death, please return loan proceeds to my estate upon loan maturity.

☐ In the event of my death, please return loan proceeds to my estate upon loan maturity to:

__________________________________________________________
Name

__________________________________________________________
Address

__________________________________________________________
Telephone

__________________________________________________________
Social Security Number

__________________________________________________________
Birth Date

__________________________________________________________
Authorized Signature

__________________________________________________________
Print Authorized Signatory’s Name

__________________________________________________________
Date
Part 5. Accredited Investor Qualification (for entities)

NOTE: We do NOT need this information for Wisconsin-based investors. If you are domiciled/incorporated in Wisconsin and prefer not to complete this section, please disregard.

Entity investors must fall into one of the following categories to be an “accredited investor.” Please indicate which category best describes your entity:

- A bank, insurance company, registered investment company, business development company, or a small business investment company
- An employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of $5 million
- A charitable organization, corporation, limited liability company or partnership with assets exceeding $5 million
- A business in which all the equity owners are accredited investors
- A trust with assets in excess of $5 million, not formed to acquire the securities offered, whose purchases are made by a sophisticated person
- An Individual Retirement Account ("IRA"), the IRA participant of which is an accredited investor.
- A trust that is revocable by its grantors and each of whose grantors is an accredited investor.
- A self-directed account in an employee benefit plan, the investment of which is directed by an individual who meets one of the standards described in Part III, above.

- None of the above. If you are not qualified under any of these standards, please contact Forward Community Investments and we will work with you to establish eligibility through other exemptions.

Part 6. Authorization to Publish Name or Anonymity Preference

I/we understand that the endorsement of Forward Community Investments by lenders is extremely helpful to Forward Community Investments in attracting other interested people to become lenders or contributors. This endorsement establishes credibility and represents the broad community support necessary for Forward Community Investments’s effectiveness. The amount and details of the loan will not be disclosed, nor will your mailing address; only the name, as indicated below will be used.

- I/we authorize Forward Community Investments to use my/our name and community as a lender to Forward Community Investments as follows:

______________________________________________________________________________________

- Please keep my/our status as a lender to Forward Community Investments confidential.

- I was referred to FCI by my financial advisor. I give FCI permission to share my investment information, including loan amount, interest rate and maturity date with my financial advisor. My financial advisor is:

______________________________________________________________________________________
Part 7. Signature

By signing below, the undersigned agrees to the terms set forth above and agrees to notify Forward Community Investments if any of the information provided on this form changes.

<table>
<thead>
<tr>
<th>Authorized Signature</th>
<th>Signature of Joint Investor, if applicable</th>
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</thead>
<tbody>
<tr>
<td>Print Authorized Signatory’s Name</td>
<td>Print Joint Investor’s Name</td>
</tr>
<tr>
<td>Name of Entity, if applicable</td>
<td>Date</td>
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