

PROSPECTUS

HERITAGE INVESTMENT SERVICES FUND, INC.

3 Kacey Court, Suite 101, Mechanicsburg, PA 17055, (717) 796-9784
or toll-free at 1-866-219-0820 www.hisfund.com

\$60,000,000 UNSECURED PROMISSORY NOTES

<u>Instrument (1)(2)</u>	<u>Current Initial Interest Rate (3)</u>	<u>Offering Price</u>	<u>Commissions and Underwriting Expense</u>
Demand (Plus 30 days)	2.50%	100% of Principal	None
Term Notes (4)	2.75% to 4.50% (4)	100% of Principal	None

The securities described in this Prospectus will be sold without the payment of any commission, with all expenses of such offering being borne by Heritage Investment Services Fund, Inc. Net proceeds of the offering after estimated expenses of \$65,950.00 are anticipated to be \$59,934,050 if the full \$60,000,000 of securities would be sold.

THE SECURITIES DESCRIBED HEREIN ARE ISSUED PURSUANT TO A CLAIM OF EXEMPTION FROM REGISTRATION UNDER SECTION 3(a)(4) OF THE FEDERAL SECURITIES ACT OF 1933. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE PENNSYLVANIA SECURITIES COMMISSION. THE SECURITIES DESCRIBED HEREIN ARE ALSO EXEMPTED FROM REGISTRATION IN CERTAIN STATES BY STATE LAW, WHILE IN OTHER STATES THEY HAVE BEEN REQUIRED TO BE REGISTERED. THE FACT THAT THESE SECURITIES HAVE BEEN REGISTERED IN CERTAIN STATES, OR THAT THEY MAY BE EXEMPT FROM REGISTRATION IN OTHER STATES, DOES NOT MEAN THAT THE APPLICABLE ADMINISTRATOR OF THE STATE SECURITIES LAWS NOR THE SECURITIES AND EXCHANGE COMMISSION ("SEC") HAS PASSED IN ANY WAY UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION SET FORTH HEREIN, NOR THAT SUCH ADMINISTRATOR OR THE SEC HAS PASSED UPON THE MERITS OR QUALIFICATIONS OF OR RECOMMENDED, ENDORSED OR GIVEN APPROVAL TO, THE ISSUER, THE SECURITIES, OR THE OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE NOTES WILL BE OFFERED AND SOLD ONLY TO PERSONS WHO ARE, PRIOR TO OR AT THE TIME OF RECEIVING A PURCHASE APPLICATION, MEMBERS OF, CONTRIBUTORS TO OR PARTICIPANTS IN THE GENERAL COUNCIL OF THE ASSEMBLIES OF GOD, THE PENNSYLVANIA-DELAWARE DISTRICT COUNCIL OF THE ASSEMBLIES OF GOD, OR IN ANY PROGRAM, ACTIVITY OR ORGANIZATION WHICH CONSTITUTES A PART OF THE GENERAL COUNCIL OR THE DISTRICT COUNCIL, OR IN OTHER CHURCH ORGANIZATIONS THAT HAVE A PROGRAMMATIC RELATIONSHIP WITH THE GENERAL COUNCIL OR THE DISTRICT COUNCIL, AND INDIVIDUAL RETIREMENT ACCOUNTS OF SUCH PERSONS.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE SET FORTH IN THIS PROSPECTUS IN CONNECTION WITH THE OFFER CONTAINED HEREIN, AND INFORMATION OR REPRESENTATIONS NOT HEREIN CONTAINED, IF GIVEN OR MADE, MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE ISSUER. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR SOLICITATION TO BUY ON BEHALF OF THE ISSUER IN ANY STATE IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED BY APPLICABLE LAW OR EXEMPT FROM REGISTRATION. NEITHER DELIVERY OF THIS PROSPECTUS NOR ANY SALES MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER SINCE THE DATE HEREOF.

THIS PROSPECTUS CONTAINS ESSENTIAL INFORMATION ABOUT THE ISSUER AND THE SECURITIES BEING OFFERED HEREBY. PROSPECTIVE INVESTORS ARE ADVISED TO READ THIS PROSPECTUS CAREFULLY PRIOR TO MAKING ANY DECISION TO PURCHASE THE SECURITIES OFFERED HEREBY. THIS OFFERING IS SUBJECT TO SIGNIFICANT RISKS. SEE PAGE 3 - "RISK FACTORS."

- (1) See "DESCRIPTION OF SECURITIES."
- (2) The Notes will be offered and sold to a limited class of persons. See "DESCRIPTION OF SECURITIES."
- (3) The interest rate on Term Notes will be the rate in effect at time of sale for the selected maturity; the interest rate on Demand Notes may vary. See "DESCRIPTION OF SECURITIES."
- (4) The Term Notes are offered in varying maturities. Ministry Rate Term Notes may have lower interest rates. See "DESCRIPTION OF SECURITIES."

The date of this Prospectus is April 24, 2012

THE NOTES ARE NOT SAVINGS OR DEPOSIT ACCOUNTS OR OTHER OBLIGATIONS OF A BANK AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, ANY STATE BANK INSURANCE FUND, THE SECURITIES INVESTOR PROTECTION CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY. THE PAYMENT OF PRINCIPAL AND INTEREST TO AN INVESTOR IS DEPENDENT UPON THE ISSUER'S FINANCIAL CONDITION. ANY PROSPECTIVE INVESTOR IS ENTITLED TO REVIEW THE ISSUER'S FINANCIAL STATEMENTS, WHICH SHALL BE FURNISHED AT ANY TIME DURING BUSINESS HOURS UPON REQUEST. THE NOTES ARE OBLIGATIONS OF HERITAGE INVESTMENT SERVICES FUND, INC. AND ARE NOT OBLIGATIONS OF, NOR GUARANTEED BY, THE PENNSYLVANIA-DELAWARE DISTRICT COUNCIL OF THE ASSEMBLIES OF GOD, THE ASSEMBLIES OF GOD, OR BY ANY CHURCH, CONFERENCE, INSTITUTION OR AGENCY AFFILIATED WITH THE ASSEMBLIES OF GOD OTHER THAN HERITAGE INVESTMENT SERVICES FUND, INC.

THE SECURITIES DESCRIBED HEREIN ARE NOT NEGOTIABLE AND ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE. THESE SECURITIES MAY NOT BE TRANSFERRED OR RESOLD WITHOUT THE WRITTEN APPROVAL OF THE ISSUER AND AS PERMITTED UNDER THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE DISCLOSURE, MERITS AND RISKS INVOLVED. INVESTORS ARE ENCOURAGED TO CONSIDER THE CONCEPT OF INVESTMENT DIVERSIFICATION WHEN DETERMINING THE AMOUNT OF NOTES THAT WOULD BE APPROPRIATE FOR THEM IN RELATION TO THEIR OVERALL INVESTMENT PORTFOLIO AND PERSONAL FINANCIAL NEEDS.

FLORIDA RESIDENTS: THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE STATE OF FLORIDA.

MARYLAND RESIDENTS: ANY SECURITIES SOLD IN MARYLAND WILL BE SOLD PURSUANT TO A CLAIM OF EXEMPTION UNDER THE MARYLAND SECURITIES ACT. THE DIVISION OF SECURITIES OF THE OFFICE OF THE ATTORNEY GENERAL OF MARYLAND HAS NOT REVIEWED THE INFORMATION IN THIS DOCUMENT NOR PASSED IN ANY WAY UPON THE MERITS OF, RECOMMENDED, OR GIVEN APPROVAL TO THE SECURITIES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

NEW YORK RESIDENTS: THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THE ISSUER'S MANAGEMENT HAS EXAMINED THIS PROSPECTUS AND BELIEVES THAT IT CONTAINS A FAIR SUMMARY OF THE DOCUMENTS REFERRED TO HEREIN, AND THAT THIS PROSPECTUS DOES NOT OMIT ANY MATERIAL FACT AND DOES NOT CONTAIN ANY MISSTATEMENT OF THE MATERIAL FACT.

PENNSYLVANIA RESIDENTS: A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE PENNSYLVANIA SECURITIES COMMISSION. THE PENNSYLVANIA SECURITIES COMMISSION HAS NOT PASSED UPON THE VALUE OF THESE SECURITIES, MADE ANY RECOMMENDATIONS AS TO THEIR PURCHASE, NOR APPROVED OR DISAPPROVED THE OFFERING, NOR PASSED UPON THE ADEQUACY OR ACCURACY OF THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THE REGISTRATION STATEMENT AND THE EXHIBITS FILED THEREWITH ARE AVAILABLE FOR INSPECTION AT THE OFFICES OF THE PENNSYLVANIA SECURITIES COMMISSION, EASTGATE OFFICE BUILDING, 2ND FLOOR, 1010 NORTH SEVENTH STREET, HARRISBURG, PENNSYLVANIA 17102-1410, (717) 787-8061 OR 1-800-600-0007 (TOLL FREE IN PENNSYLVANIA), DURING REGULAR BUSINESS HOURS (MONDAY-FRIDAY, 8:30 A.M. TO 5 P.M.) OR FROM HERITAGE INVESTMENT SERVICES FUND, INC.

It is the position of the Pennsylvania Securities Commission that indemnification in connection with violations of the securities laws is against public policy and void.

EVERY PURCHASER OF THE SECURITIES DESCRIBED IN THIS PROSPECTUS HAS THE RIGHT TO WITHDRAW FROM THE PURCHASE AS PROVIDED BY SECTION 207(m) OF THE PENNSYLVANIA SECURITIES ACT OF 1972. IF YOU HAVE ACCEPTED AN OFFER TO PURCHASE THESE SECURITIES PURSUANT TO A PROSPECTUS WHICH CONTAINS A WRITTEN NOTICE EXPLAINING YOUR RIGHT TO WITHDRAW YOUR ACCEPTANCE PURSUANT TO SECTION 207(m)(1) OF THE PENNSYLVANIA SECURITIES ACT OF 1972, YOU MAY ELECT, WITHIN TWO BUSINESS DAYS AFTER THE FIRST TIME YOU HAVE RECEIVED THIS NOTICE AND A PROSPECTUS (WHICH IS NOT MATERIALLY DIFFERENT FROM THE FINAL PROSPECTUS) TO WITHDRAW FROM YOUR PURCHASE AGREEMENT AND RECEIVE A FULL REFUND OF ALL MONIES PAID BY YOU. YOUR WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, YOU NEED ONLY SEND A WRITTEN NOTICE (INCLUDING A NOTICE BY FACSIMILE OR ELECTRONIC MAIL) TO THE ISSUER (OR UNDERWRITER IF ONE IS LISTED ON THE FRONT PAGE OF THE PROSPECTUS) INDICATING YOUR INTENTION TO WITHDRAW.

OF THE \$60,000,000 OF DEBT SECURITIES BEING OFFERED HEREBY, \$60,000,000 WILL BE OFFERED TO PENNSYLVANIA RESIDENTS.

TABLE OF CONTENTS

Page

SUMMARY INFORMATION	1
RISK FACTORS	3
FORWARD-LOOKING STATEMENTS.....	6
USE OF PROCEEDS	7
CAPITALIZATION	9
SELECTED FINANCIAL INFORMATION	10
FIVE-YEAR SUMMARY OF FINANCIAL INFORMATION.....	11
GENERAL.....	12
Heritage Investment Services Fund, Inc.....	12
Pennsylvania-Delaware District Council	13
LENDING ACTIVITIES.....	15
Loans	15
Loan Policies and Processing	17
Allowance for Loan Losses	18
DESCRIPTION OF SECURITIES	19
General	19
Ministry Rate Term Notes and Matching Funds Loan Program	22
Restrictions on Withdrawal and Transfer; Penalty and Fee on Voluntary Redemption	24
Tax Considerations	24
Outstanding Debt Obligations	25
Sales in 2011 and 2010.....	26
Liquidity Reserves	27
Method of Sale.....	27
MANAGEMENT	28
HIS Fund Directors and Officers.....	28
Remuneration and Other Transactions	29
DESCRIPTION OF PROPERTIES	30
EMPLOYEES	30
FINANCIAL STATEMENTS	30
LEGAL PROCEEDINGS	30

LEGAL OPINION	30
ANNUAL MEETING	31
FINANCIAL REPORTS TO INVESTORS	31

APPENDICES

AUDITED FINANCIAL STATEMENTS OF HERITAGE INVESTMENT SERVICES FUND, INC.
FOR 2011 AND 2010:

	Appendix A
Independent Auditors' Report	A-1
Statement of Financial Position as of December 31, 2011 and December 31, 2010	A-2
Statement of Activities and Changes in Net Assets for the years ended December 31, 2011, December 31, 2010 and December 31, 2009	A-3
Statement of Cash Flows for the years ended December 31, 2011, December 31, 2010, and December 31, 2009	A-4
Notes to Financial Statements	A-5
PERSONAL NOTE PURCHASE APPLICATION	Appendix B-1
CHURCH OR AFFILIATED ORGANIZATION NOTE PURCHASE APPLICATION	Appendix B-2
SELF-DIRECTED IRA NOTE PURCHASE APPLICATION	Appendix B-3

SUMMARY INFORMATION

The following is a brief summary of certain information contained elsewhere in this Prospectus. This summary is not intended to be complete and is qualified in its entirety by reference to more detailed information contained elsewhere in this Prospectus, including the Appendices hereto. **ALL PROSPECTIVE INVESTORS ARE URGED TO REVIEW THE ENTIRE PROSPECTUS, INCLUDING THE APPENDICES, CAREFULLY.**

Heritage Investment Services Fund, Inc.

Heritage Investment Services Fund, Inc. (“Heritage Investment Services Fund” or “HIS Fund”) is a Pennsylvania nonprofit corporation established by the Pennsylvania-Delaware District Council of the Assemblies of God (the “District” or “District Council”) on September 17, 2007, to be the successor to the assets, liabilities and operations of the church extension loan fund operated by the District Council since 1981. All of the assets, liabilities and operations of the loan fund previously operated by the District Council were transferred to HIS Fund effective July 1, 2008.

HIS Fund is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and also qualified to receive tax deductible bequests, transfers or gifts. Heritage Investment Services Fund has as its primary purpose to assist, further and support the religious work and ministries of the Assemblies of God throughout the territories served by the District Council. Its principal activity is continuing the church extension loan fund operations of the predecessor loan fund. It may also provide financial planning and advice, financial management, stewardship, planned giving and similar services to the District Council and its affiliated institutions, agencies, organizations and congregations. It is permitted to make loans and engage in other activities furthering and supporting the religious work and ministries of Assemblies of God outside the boundaries of the District to the extent approved by the HIS Fund Board.

The principal office of HIS Fund is 3 Kacey Court, Suite 101, Mechanicsburg, Pennsylvania 17055. HIS Fund’s telephone number is (717) 796-9784 (or toll-free at 1-866-219-0820) and its website address is www.hisfund.com.

Pennsylvania-Delaware District Council of the Assemblies of God

The District Council is a non-profit corporation organized under the laws of the Commonwealth of Pennsylvania. The District Council is the corporate entity having jurisdiction over affiliated churches of the Assemblies of God in Pennsylvania and Delaware. The District Council is exempt from federal income tax pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The principal office of the District Council is 4651 Westport Drive, Mechanicsburg, Pennsylvania 17055, and its telephone number is (717) 795-5921. The District Council and HIS Fund are separate legal entities and the District Council has no direct or indirect liability for the Notes offered and sold by HIS Fund.

Management of HIS Fund

Heritage Investment Services Fund is managed under the direction of its Board of Directors, comprised of between 3 and 9 members. The Superintendent and Secretary-Treasurer of the District

Council are ex officio voting members of the HIS Fund Board. Persons to fill vacancies on the HIS Fund Board will be elected by the then current HIS Fund directors.

Description of Securities

The debt securities offered hereby are unsecured promissory notes (the "Notes") in the aggregate principal amount of \$60,000,000. Notes will be issued by Heritage Investment Services Fund. The minimum amount of any Note is \$500. Notes are issued as either demand notes, payable upon demand with 30 days prior written notice ("Demand Notes"), or notes with various fixed maturities established from time to time by HIS Fund ("Term Notes"). Restrictions on withdrawal and transfer apply. Term Notes may include Ministry Rate Term Notes related to “matching funds” loans to specific congregations. Demand Notes pay interest at a variable interest rate, which is subject to change from time to time. At least thirty (30) days prior to any decrease in the interest rate of a Demand Note, the holders of Demand Notes will be notified of such change. Currently, no notice is provided to investors if the interest rate payable on Demand Notes increases other than a posting of the notice on the Loan Fund’s web page on the District Council’s website. Term Notes pay interest at a rate fixed at the time of issuance. Notes are redeemable at any time in the discretion of HIS Fund. If not redeemed, Notes (other than Demand Notes and Ministry Rate Term Notes) automatically renew upon maturity for an equal number of months as the original maturity, at the interest rate then being offered for Term Notes of like maturity, unless, prior to the maturity date, the holder of a Note notifies HIS Fund in writing that such renewal is not desired or the holder reinvests (rolls over) into a Note with a different maturity. HIS Fund may establish, from time to time, higher rates of interest that would apply to Term Notes with higher initial investment amounts or as an incentive to new investors. In the discretion of HIS Fund, Notes may be issued in book entry form. HIS Fund began to issue Notes only in book entry form during 2011. HIS Fund will send the investor written confirmation of issuance but a physical note will not be issued. See “DESCRIPTION OF SECURITIES.”

Set forth below are the initial interest rates as of April 24, 2012:

<u>Note Maturities</u>	<u>Initial Interest Rates as of April 24, 2012</u>
Demand Note	2.50%
Six Month Term Note	2.75%
One Year Term Note	3.00%
Two and One-Half Year Term Note	3.25%
Four Year Term Note	3.75%
Five Year Term Note	4.50%
Ministry Rate Term Notes	N/A*

* Ministry Rate Term Notes will have a minimum maturity of five years and an interest rate fixed at time of issuance based on the interest rate of a related congregational loan. See “DESCRIPTION OF SECURITIES – Ministry Rate Term Notes.”

Financial Information

For selected financial information of HIS Fund and a five-year summary of financial information of His Fund and its predecessor loan fund, please see pages 10 and 11, respectively, of this

Prospectus. Audited financial statements of HIS Fund, including the notes thereto, are included as Appendix A to this Prospectus.

Use of Proceeds

Notes	\$60,000,000
Estimated Expenses	<u>65,950</u>
Net Proceeds	\$59,934,050

It is estimated that HIS Fund will incur aggregate accounting, legal, printing and other costs in connection with this offering of approximately \$65,950, with all expenses being borne by HIS Fund. The net proceeds from the sale of the Notes offered hereby will be used to carry on the activities of Heritage Investment Services Fund, principally loan fund operations. See "USE OF PROCEEDS."

RISK FACTORS

The debt securities offered hereby involve risks to investors. The following factors should be considered by prospective investors before making a commitment to purchase any of the securities offered hereby:

1. **The Notes are not secured.** The Notes to be issued are unsecured debt obligations of HIS Fund. Repayment of principal and interest on the Notes issued by HIS Fund will be entirely dependent on the financial condition of HIS Fund. No assets of HIS Fund have been or will be pledged as security for repayment of principal. The securities offered hereby will be of equal rank with all other previously outstanding and future unsecured debt obligations and liabilities of HIS Fund, including loan fund related liabilities assumed from the District Council pursuant to the Plan of Transfer. So long as any of the securities issued or assumed by HIS Fund remain outstanding, the amount of any senior secured obligations of HIS Fund shall in no event exceed ten percent (10%) of the tangible assets of HIS Fund. See "DESCRIPTION OF SECURITIES."

2. **The assets of HIS Fund related to loan fund activities are not protected from the debts of HIS Fund.** The assets of HIS Fund, including any assets related to loan fund activities, would be available, if necessary, to meet the loan fund obligations of HIS Fund arising from any source, including any that may be unrelated to loan fund operations.

3. **There is no sinking fund or trust indenture to protect investors.** No sinking fund or trust indenture will be established by HIS Fund in connection with the offering of the Notes and the absence thereof may adversely affect their ability to repay the Notes. Although cash or cash equivalents and liquid assets are maintained to serve as a source of funds to make repayments to investors, such reserves are less than the total amount of outstanding Notes. If a large number of investors requested to withdraw funds at any one time, HIS Fund could experience a cash flow shortage. Reserves are neither a sinking fund nor a segregated fund pledged to protect investors. See "DESCRIPTION OF SECURITIES - Liquidity Reserves."

4. **Managers are not professionally trained investment managers.** HIS Fund is managed by members of the HIS Fund Board of Directors who are not trained professionally and who have little, if any, experience in fund management other than the prior operation of the predecessor loan fund for the District Council. See "MANAGEMENT".

5. **The investment assets of HIS Fund may decrease.** Available funds that are not used for loans or other expenses of HIS Fund may be invested in investments that are subject to fluctuation in market value. A decrease in market value of these investments would reduce the assets that are available to repay investors. HIS Fund incurred net security losses of \$769,078 for 2011 and net security gains of \$249,844 and \$756,250 for 2010 and 2009, respectively. There is no assurance that future decreases in the value of the investments will not occur.

6. **HIS Fund currently invests a significant portion of the proceeds generated through the annual offer and sale of debt securities in unsecured debt and other obligations or equity of other Assemblies of God related organizations and in other investment vehicles making or investing directly or indirectly in loans to faith-based ministries and churches.** There is no public market for these unsecured investments. As of December 31, 2011 and December 31, 2010, the aggregate amount of such unsecured investments totaled \$12,888,774 and \$23,468,480, respectively, representing approximately 15.5% and 33.6%, respectively, of HIS Fund's total assets as of such date. During 2011 and 2010 HIS Fund incurred a loss on an investment in a limited partnership of \$36,431 and \$15,778, respectively. Losses on investments negatively affect HIS Fund's total assets and such losses could adversely affect the ability of HIS Fund to pay interest on Notes and/or to honor withdrawals. See "USE OF PROCEEDS – Investments" and "- Related Party Transactions" and Notes 2 and 7 to the Financial Statements included as Appendix A to this Prospectus.

7. **Variable interest rate on Demand Notes subject to change.** The rate of interest to be paid on Demand Notes is subject to decrease, from time to time, in the discretion of HIS Fund at the beginning of a calendar month. At least thirty (30) days prior to any decrease in the interest rate of a Demand Note, HIS Fund will notify the holder of such change. See "DESCRIPTION OF SECURITIES."

8. **There are limitations on withdrawals and an interest penalty and a request processing fee may be imposed on early withdrawal.** The holder of a Term Note does not have the right to have a Term Note redeemed prior to maturity of the Note. The holder of a Demand Note does not have the right to have a Demand Note redeemed prior to expiration of 30 days after written notice of a request for redemption by the holder is received by HIS Fund. HIS Fund, in its discretion, may impose an interest penalty and a request processing fee on voluntary redemptions prior to maturity of Term Notes or, in the case of Demand Notes, prior to expiration of the 30-day prior notice period. Interest is not compounded quarterly unless interest remains on deposit. No interest penalty will be imposed in connection with voluntary redemptions as a result of death. See "DESCRIPTION OF SECURITIES - General" and "- Restrictions on Withdrawal and Transfer; Penalty and Fee on Voluntary Redemption."

IN ORDER TO PROTECT THE INTEREST OF ALL INVESTORS, HERITAGE INVESTMENT SERVICES FUND RESERVES THE RIGHT TO SUSPEND REDEMPTIONS OR POSTPONE THE DATE OF REPAYMENT FOR ANY PERIOD, NOT TO EXCEED THIRTY (30) DAYS, DURING WHICH AN EMERGENCY EXISTS AS DETERMINED BY HIS FUND, EITHER BECAUSE OF EXCESSIVE REDEMPTIONS OR OTHERWISE.

9. **Voluntary withdrawals or early redemptions of Ministry Rate Term Notes at the request of investors are not permitted during the period that the Borrowing Church's loan from HIS Fund is outstanding.** Although HIS Fund may waive this restriction at any time in its discretion for any or all investors, it has no intention of doing so while the Borrowing Church's loan is

outstanding. "DESCRIPTION OF SECURITIES – Restrictions on Withdrawal and Transfer; Interest Penalty on Voluntary Redemption" and "- Ministry Rate Term Notes".

10. **Term Notes (other than Ministry Rate Term Notes) are subject to automatic renewal upon maturity unless redeemed by HIS Fund, at the then current rate of interest, for another term equal to the initial term unless the Noteholder notifies HIS Fund prior to the maturity date not to renew the Note.** At least thirty (30) days prior to the maturity date of a Term Note subject to automatic renewal or rollover, HIS Fund will notify the holder of the maturity date, the proposed renewal or rollover, and provide the holder with the most current Prospectus.

11. **There is no market for the Notes.** There is no market for the Notes and no expectation that one will develop.

12. **A significant percentage of the outstanding Notes are either payable on demand or mature in 2012.** As of December 31, 2011, \$24,867,476 of the \$76,809,025 outstanding Notes were either payable on demand (\$5,822,037) or scheduled to mature in 2012 (\$19,045,439). See "DESCRIPTION OF SECURITIES – Outstanding Debt Obligations."

13. **There are restrictions on transfer of the Notes.** Notes may not be transferred or assigned without the consent of HIS Fund. See "DESCRIPTION OF SECURITIES - Limitations on Withdrawal and Transfer; Interest Penalty on Voluntary Redemption."

14. **Securities are redeemable.** Any or all of the Notes may be redeemed by HIS Fund at any time, including prior to stated maturity of Term Notes or at maturity, and from time to time, by paying the unpaid principal and accrued interest through the date of redemption of the Note or Notes redeemed. See "DESCRIPTION OF SECURITIES - General."

15. **Interest on the Notes is taxable income.** Interest paid or payable on the Notes will normally be taxable as ordinary income to the holder regardless of whether interest is paid or allowed to accumulate, unless the holder is a tax-exempt organization. If interest paid is below the market interest, the Internal Revenue Service may impute income up to the market interest level. See "DESCRIPTION OF SECURITIES - Tax Considerations."

16. **The Notes are not insured.** The Notes are the unsecured obligations of HIS Fund and monies invested are not insured against loss.

17. **A default on loans could decrease income needed to pay the Notes.** Not all loans made to borrowers have been or will be secured by mortgages or other collateral. Even if a loan is secured, there is no assurance that, in the event of default by a borrower, the foreclosure value of the mortgaged property will be adequate to fully cover the indebtedness on the loans, especially in light of the limited market for buildings constructed for church use. If a default occurs, there may be substantial periods during which payments of interest on the mortgaged property would not be made. This could adversely affect the ability to pay interest on the Notes and/or to honor withdrawals. See "LENDING ACTIVITIES."

18. **Churches and church-related organizations that borrow are dependent on contributions.** The ability of a church or a church-related entity to repay principal and interest on a loan when due depends upon contributions it receives from its members and others. Both the number of

members of a church borrower and the amount of voluntary contributions received by the church borrower may fluctuate. A decline in contributions to a church or church-related entity that has borrowed may adversely affect the ability of the borrower to repay its loan. This, in turn, could adversely affect HIS Fund's ability to repay the Notes.

19. **HIS Fund's loan policies may be more lenient than those of commercial lenders.**

Because of the relationship between HIS Fund and the borrowers, HIS Fund may be more willing to consider accommodations when payments fall behind or to consider refinancing loans than commercial lenders would be. HIS Fund would seek to aid its borrowers in every instance to meet loan obligations without foreclosure. This could have an adverse impact on HIS Fund revenue and adversely affect the ability of HIS Fund to repay the Notes.

20. **The loan policies of HIS Fund are less stringent than commercial lenders.** Because of the relationship between HIS Fund and its borrowers, loan policies, including loan underwriting and enforcement of loan terms in the event of delinquency, are generally less stringent than loan policies of commercial lenders.

21. **There is potential environmental liability associated with the loans HIS Fund makes.** HIS Fund does not typically conduct an environmental audit before approving a loan. If environmental pollution or other contamination is found on or near property securing a loan, HIS Fund's security for the loan could be impaired. In addition, changes in environmental regulations could require the borrower to incur substantial unexpected expenses to comply with such regulations and this could impair both the value of the collateral and the borrower's ability to repay HIS Fund. This, in turn, could adversely affect HIS Fund's ability to repay the Notes.

22. **State Regulation of Sales of Securities.** Changes in state laws, rules or regulations, or the applications thereof, regarding the sale of debt obligations of religious, charitable or other nonprofit organizations may make it more costly and difficult or impossible for HIS Fund to offer and sell its debt obligations in the future. Such changes could affect the financial stability HIS Fund.

FORWARD-LOOKING STATEMENTS

Throughout this Prospectus, we may make statements about possible future events or occurrences. These forward-looking statements are identifiable by words or phrases indicating that particular events "may" or "will" occur or that we "expect," "anticipate," "project," "plan," "believe" or "intend" that a particular event may or will occur in the future or similarly stated expectations. These forward-looking are subject to many factors, including the above Risk Factors and the other information contained in this Prospectus that could cause actual results to differ materially from the stated expectations. We undertake no obligation to update or revise any forward-looking statements to reflect developments or information obtained after the date of this Prospectus.

USE OF PROCEEDS

Notes	\$60,000,000
Estimated Expenses	<u>65,950</u>
Net Proceeds	\$59,934,050

It is anticipated that the expenses of this offering, including printing, mailings, attorneys' fees, auditor's fees and securities registration fees, will be approximately \$65,950, with all expenses being borne by HIS Fund. No underwriters are participating in the distribution of the Notes and no underwriting discounts or commissions will be paid in connection with this offering. Sales of the Notes will be effected solely by the officers of HIS Fund and employees working under their supervision. The net proceeds from the sale of the Notes will be used to carry out the activities of HIS Fund, principally loan fund activities. HIS Fund makes loans to Assemblies of God church congregations or affiliated organizations for the purpose of acquiring, constructing or remodeling churches, parsonages or other church related projects and for financing other church-related needs within the District, including needs of the District Council itself. Loans may be made outside the District to the extent approved by the HIS Fund Board.

The sale of the Notes is primarily related to HIS Fund's need for loan funds while maintaining sufficient liquidity to pay interest and repay maturing Notes. HIS Fund does not presently require, nor does HIS Fund anticipate that it will require, any proceeds of this offering to meet interest payments on outstanding Notes; however, no assurance can be given that some portion of the proceeds from future sales will not at some time in the future be required to meet such interest payments.

Investments

HIS Fund may invest its available funds that are not needed for loans or other expenses either directly or through mutual funds in cash and cash equivalents, certificates of deposit, money market funds, fixed income investments, equity securities and other investments it deems suitable. HIS Fund may invest, directly or indirectly and from time to time, in various secured and unsecured debt or other obligations issued in connection with programs operated by other Assemblies of God related organizations or other faith-based organizations. In addition, HIS Fund has invested and may invest in the future in investment vehicles investing in church loans, including, without limitation, a special purpose trust operating a loan program serving international and domestic faith-based ministries and churches, and in a limited partnership investing in church-related loans. Investment in these other programs has increased in recent years due to their favorable interest rates and the decline in returns available from other available investments. See Risk Factor #6 under "RISK FACTORS."

As of December 31, 2011 and December 31, 2010, outstanding unsecured investments in connection with these other programs (referred to as "deposits held by affiliate") totaled \$12,888,774 and \$23,468,480, respectively, representing approximately 15.5% and 33.6%, respectively, of HIS Fund's assets as of such date. Of these amounts, as of December 31, 2011 and December 31, 2010, \$8,596,526 and \$17,290,880, respectively, was invested in unsecured promissory notes issued by Assemblies of God Loan Fund, an affiliated entity of the Assemblies of God headquartered in Springfield, Missouri, comprised of \$2,080,873 and \$11,061,399, respectively, invested in a variable interest rate 30-day

demand note, and \$6,515,653 and \$6,229,481, respectively, invested in a 5-year term note. HIS Fund considers the 30-day demand note a cash equivalent because of its high liquidity.

As of December 31, 2011 and 2010, \$3,929,284 and \$5,778,205, respectively, was invested through a special purpose trust (referred to as “beneficial interest in net assets of affiliate”) of which HIS Fund is now effectively the sole beneficiary that makes loans to overseas churches, international parachurch ministries, micro-economic development projects and some domestic church and church-related loans. The trustee of this trust is The Carpenter’s Helpers, Inc.

Investment composition consisted of the following as of December 31, 2011, 2010 and 2009:

	<u>2011</u>		<u>2010</u>		<u>2009</u>	
	<u>Carrying Value</u>	<u>% of Total</u>	<u>Carrying Value</u>	<u>% of Total</u>	<u>Carrying Value</u>	<u>% of Total</u>
Deposits held by affiliate	\$ 8,596,526	36.66%	\$17,290,880	52.86%	\$13,200,604	53.07%
Equity securities	4,681,871	19.97%	4,154,889	12.70%	3,369,540	13.55%
Beneficial interest in net assets of affiliate	3,929,284	16.76%	5,778,205	17.66%	5,775,900	23.22%
Mutual Funds - Fixed income	2,751,269	11.73%	683,491	2.09%	-	0.00%
Mutual Funds - Equity	2,582,741	11.01%	796,840	2.44%	-	0.00%
Money market	544,368	2.32%	3,608,510	11.03%	2,004,589	8.06%
Interest in Limited partnership	362,964	1.55%	399,395	1.22%	524,616	2.10%
	<u>\$23,449,023</u>	<u>100.00%</u>	<u>\$32,712,210</u>	<u>100.00%</u>	<u>\$24,875,249</u>	<u>100.00%</u>

Aggregate realized and unrealized gains (and losses) for 2011, 2010 and 2009 were \$(769,078), \$249,844 and \$756,250, respectively.

For further information on investments, see the Financial Statements included as Appendix A, especially Note 2 to the Financial Statements. See also Risk Factors #5 and #6 under “RISK FACTORS.”

The principal persons responsible for investment decisions of HIS Fund are its Chairman and President, Philip Bongiorno, and its Chief Executive Officer and Chief Financial Officer, Michael T. Bongiorno. Neither of these individuals have any experience in fund or investment management other than their work on behalf of HIS Fund and the predecessor loan fund of the District Council. For additional information on these individuals and the other managers of HIS Fund, see “MANAGEMENT.”

No officer or director of HIS Fund is involved in making investment or loan decisions for the Assemblies of God Loan Fund, Assemblies of God Financial Solutions, Assemblies of God Foundation or their affiliates. Neither the District Council nor HIS Fund has any ability to appoint officers or directors of Assemblies of God Financial Solutions, the Assemblies of God Foundation or their affiliates. Prior to September 2010, Rev. Philip Bongiorno, Chairman and President of HIS Fund, was on the board of Assemblies of God Financial Solutions and on a committee that oversaw a loan program operated by Assemblies of God Loan Services.

CAPITALIZATION

	December 31, 2011 <u>Actual</u>	December 31, 2011 <u>Pro Forma</u>
Short and Long-Term Borrowings:		
Investment Notes and other Obligations	\$76,809,025	\$76,809,025
Anticipated Sales of New Notes ¹	<u> -</u>	<u>12,000,000</u>
Net Short and Long-Term Borrowings	<u>76,809,025</u>	<u>88,809,025</u>
Net Assets:		
Unrestricted Net Assets	6,408,748	6,408,748
Temporarily Restricted Net Assets	<u>28,567</u>	<u>28,567</u>
Total Net Assets	<u>6,437,315</u>	<u>6,437,315</u>
Total Capitalization	<u>\$83,246,340</u>	<u>\$95,246,340²</u>

1. Based on historical experience, of the total \$60,000,000 of Notes offered nationwide, approximately \$12,000,000 of the total offered will be sold as new sales of Notes providing new cash. This does not include potential new Notes issued by HIS Fund at the maturity or early redemption of Notes previously issued by the District Council or transfers from one note to another.

2. Represents the sum of Net Short and Long-Term Borrowings (including anticipated sales of new Notes), Total Unrestricted Net Assets and Temporarily Restricted Net Assets.

The above table assumes the anticipated new sales from the offering occurred at one time as of December 31, 2011 and does not take into account the anticipated redemption of maturing Term Notes during the 12 month period, which are anticipated to be approximately \$3,000,000 based on historical experience. In addition to Term Notes, HIS Fund had outstanding Demand Notes totaling \$5,822,037 at December 31, 2011.

SELECTED FINANCIAL INFORMATION

The following historical information is derived from HIS Fund's audited financial statements for 2011, 2010, 2009 and the last six months of 2008, the predecessor loan fund's audited financial statements for the first six months of 2008 and for 2007, and should be read in conjunction with information set forth elsewhere in this Prospectus, including the financial statements included as Appendix A to this Prospectus. On July 1, 2008, HIS Fund succeeded to all of the assets and liabilities of the predecessor loan fund of the District Council. See "GENERAL."

Year Ended December 31,

	2011 HIS FUND	2010 HIS FUND	2009 HIS FUND	2008 HIS FUND	2007 LOAN FUND
Cash, Cash Equivalents and Readily Marketable Securities (combined)	\$17,875,071	\$21,356,463	\$19,575,461	\$14,075,159	\$17,109,497
Total Loans Receivable, net	\$53,166,159	\$35,887,437	\$34,094,144	\$31,224,248	\$24,807,751
Loan Delinquencies (principal or interest delinquent 90 days or more) as Percentage of Loans Receivable	0.00%	0.00%	0.18%	0.20%	0.81%
Amount and Percent of Unsecured Loans Receivable	\$151,319 0.28%	\$423,163 1.18%	\$ 159,246 0.47%	\$ 280,145 0.90%	\$ 230,031 0.93%
Total Assets	\$83,252,974	\$69,811,939	\$60,124,054	\$51,179,400	\$46,395,630
Total Notes Payable	\$76,809,025	\$62,879,757	\$53,607,050	\$45,777,008	\$35,791,727
Amount of Notes Redeemed During the Fiscal Year	\$9,517,584	\$6,622,600	\$ 6,438,802	\$5,665,450	\$ 9,455,890
Net Assets	\$6,437,315	\$6,928,050	\$ 6,509,296	\$5,395,345	\$ 6,119,947
Change in Net Assets	\$(490,735)	\$418,754	\$ 1,113,951	\$(724,602)	\$ 784,859

FIVE-YEAR SUMMARY OF FINANCIAL INFORMATION

A summary of revenues and gains, expenses and losses, and other net increase (decrease) in net assets for the years 2007 through 2011 is set forth below. For years 2011, 2010 and 2009, this information is derived from HIS Fund's audited financial statements for the period included as Appendix A to this Prospectus. For year 2008, this information is derived from HIS Fund's audited financial statements for the period from inception (July 1, 2008) to December 31, 2008 and the audited financial statements of the predecessor loan fund of the District Council for the six-month period from January 1, 2008 to June 30, 2008 during which the predecessor loan fund was operated by the District Council. For year 2007, this information is derived from the predecessor loan fund audited financial statements.

	<u>Revenues and Gains</u>	<u>Expenses and Losses</u>	<u>Change in Net Assets</u>	<u>Net Assets at Year End</u>
2011	\$ 4,161,344	\$ 4,652,079	\$ (490,735)	\$ 6,437,315
2010	\$ 3,880,140	\$ 3,461,386	\$ 418,754	\$ 6,928,050
2009	\$ 4,128,519	\$ 3,014,568	\$ 1,113,951	\$ 6,509,296
2008	\$ 3,032,376	\$ 3,756,978	\$ (724,602)	\$ 5,395,345
2007	\$ 3,033,011	\$ 2,248,152	\$ 784,859	\$ 6,119,947

HERITAGE INVESTMENT SERVICES FUND, INC.

\$60,000,000 UNSECURED PROMISSORY NOTES

GENERAL

Heritage Investment Services Fund, Inc.

Heritage Investment Services Fund, Inc. (“Heritage Investment Services Fund” or “HIS Fund”) is a Pennsylvania nonprofit corporation established by the Pennsylvania-Delaware District Council of the Assemblies of God on September 17, 2007 to be the successor to the assets, liabilities and operations of the church extension loan fund operated by the District Council since 1981. On July 1, 2008, HIS Fund succeeded to all of the predecessor loan fund’s assets and liabilities, and assumed operation of this loan fund from the District Council. HIS Fund’s registered offices and principal place of business is at 3 Kacey Court, Suite 101, Mechanicsburg, Pennsylvania 17055. HIS Fund’s telephone number is (717) 796-9784 (or toll-free at 1-866-219-0820) and its website address is www.hisfund.com.

HIS Fund is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and also qualified to receive tax deductible bequests, transfers or gifts. HIS Fund has as its primary purpose to assist, further and support the religious work and ministries of the Assemblies of God throughout the territories served by the Pennsylvania-Delaware District Council. Its principal activity is continuance of operation of the predecessor loan fund. It may also provide financial planning and advice, financial management, stewardship, planned giving and similar services to the District Council and its affiliated institutions, agencies, organizations and congregations. It is permitted to engage in lending and other activities furthering and supporting the religious work and ministries of Assemblies of God outside the boundaries of the District to the extent approved by the HIS Fund Board.

Heritage Investment Services Fund is managed under the direction of its Board of Directors, comprised of between 3 and 9 members. The Superintendent and Secretary-Treasurer of the District Council are ex officio voting members of the HIS Fund Board. Persons to fill vacancies on the HIS Fund Board will be elected by the then current HIS Fund directors.

Normally, approval by a majority of the directors present at a meeting will be necessary for the HIS Fund Board to take action. However, amendment of the Bylaws or Articles of Incorporation or a merger or similar fundamental transaction will require the affirmative vote of 2/3 of the directors in office, plus the consent of the Executive Presbytery of the District Council.

Under the HIS Fund Bylaws, the Executive Presbytery of the District Council has the right to receive an annual financial report from HIS Fund and such other reports and information as it may reasonably request from time to time.

HIS Fund is a separate legal entity from the District Council and is not owned by the District Council. The District Council has no direct or indirect liability for the Notes offered and sold by HIS

Fund or any other liabilities of HIS Fund, except that it remains secondarily liable with respect to outstanding four-year Notes issued by the District Council prior to consummation of the Plan of Transfer on July 1, 2008.

Pennsylvania-Delaware District Council

The Pennsylvania-Delaware District Council of the Assemblies of God (the "District Council" or the "District") is a Pennsylvania non-profit corporation with offices in Mechanicsburg, Pennsylvania. The District Council was initially incorporated under the laws of the Commonwealth of Pennsylvania on June 12, 1935 under the name "Eastern District Council of the Assemblies of God." The geographic territory of the District Council includes the State of Delaware and the Commonwealth of Pennsylvania.

The District Council, a Pennsylvania non-profit corporation, is organized and operated exclusively for religious purposes. It does not have or issue stock or have shareholders; pays no dividends; and no part of the income of the District Council may be distributed to its members, officers or directors, except as reasonable compensation for services rendered. The Internal Revenue Service has determined that the District Council is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

The governing form of the District Council is basically Presbyterian and Congregational. The churches come under the Congregational form of government. The ministers are controlled by the Presbyterian form of government. Governance within the Assemblies of God denomination is accomplished at three levels: nationally, through the General Council of the Assemblies of God (the "General Council"), with headquarters in Springfield, Missouri; regionally, at the district council level; and locally, at the local congregational level. The ultimate authority of the church in policy and doctrine is vested in the General Council which is comprised of General Presbyters which are representative of all the various segments of the church. The basic unit of local government is the congregation which has self-governing privileges in accordance with the District Council's authority.

To facilitate and keep uniform church policy and doctrine, the denomination is divided into regional conferences or districts each of which is independent and distinct from the other in regard to its regional territory and local congregations. Each district council is a separate, distinct and autonomous non-profit corporation. Generally the purpose of each district council is to develop new congregations, help find suitable pastors, certify the standing of ministers and aid pastors and congregations in achieving their own purposes in accordance with church policy and doctrine. The Pennsylvania-Delaware District Council is the district council for the State of Delaware and the Commonwealth of Pennsylvania.

The District Council meets on an annual basis and is made up of ordained ministers, licensed ministers and christian workers, local assemblies and the voting constituency of the District Council (i.e., all persons present and registered at the District Council annual meeting holding credentials from the District Council or who are accredited delegates from affiliated Assemblies of God churches). The general oversight of the activities of the District Council is the responsibility of the Executive Presbytery, which is made up of the officers of the District Council which are a superintendent (president), assistant superintendent (vice president), secretary/treasurer and sectional Presbyters. The Executive Presbytery functions as the District Council's Board of Directors.

The Executive Presbytery is elected by the District Council for terms of one year and the terms of approximately twelve of the Executive Presbytery expire each year. The executive officers (superintendent, assistant superintendent, secretary/treasurer) are elected to four year terms. Vacancies on the Executive Presbytery are filled by election. Although an Executive Presbyter is elected for a term of one year, an Executive Presbyter may be removed at any time for cause by a vote of the Executive Presbytery.

District Council congregation membership figures for the available past five years are as follows:

<u>Year</u>	<u>Number Of Churches</u>	<u>Aggregate Members</u>	<u>% Increase (Decrease) Over Prior Year</u>
2007	361	101,958	3.28%
2008	361	101,494	(.46)%
2009	362	97,445	(4.16)%
2010	358	102,639	5.06%
2011	368	115,803	12.83%

LENDING ACTIVITIES

HIS Fund conducts church extension loan activities to assist, further and support the religious work and ministries of the Assemblies of God, in the territories served by the District Council and outside of those territories to the extent approved by the HIS Fund Board. See “GENERAL – Heritage Investment Services Fund, Inc.” The following discussion of lending activities relates to the church extension lending activities of HIS Fund, excluding HIS Fund’s investments in loan fund programs of other organizations or in investment vehicles making or investing in church-related loans. See “USE OF PROCEEDS – Investments” and Note 4 to HIS Fund’s audited financial statements included as Appendix A.

Loans

In addition to the sale of the Notes, HIS Fund generates funds for operations through interest received with respect to outstanding loans and interest and investment income from cash reserves and other investments. The term of loans, including applicable interest rate, are established at the discretion of HIS Fund. In the years ending December 31, 2011 and 2010, income from interest on loans was \$2,934,422 and \$2,491,320, respectively, while its income on cash and other investments was \$1,018,523 and \$1,091,740, respectively. In 2011 and 2010, loans were made in the aggregate principal amount of \$32,532,051 and \$11,541,549, respectively.

As of December 31, 2011, HIS Fund had outstanding 107 loans to churches and church-related entities. Of these loans, only 13 were unsecured loans with an aggregate principal balance of \$151,319 as of December 31, 2011, all of which were under \$25,000.

In the years ended December 31, 2011 and December 31, 2010, principal repayments on loans were received in the aggregate amount of \$15,253,330 and \$9,743,064, respectively.

The following is a summary of the scheduled aggregate principal repayments of outstanding loans as of December 31, 2011:

<u>Year</u>	Scheduled Principal Repayments at 12/31/11
2012	\$10,713,073
2013	1,149,735
2014	1,188,531
2015	1,205,120
2016 and after	39,011,707
Allowance for Loan Losses	<u>(102,007)</u>
Net Loans Receivable	<u>\$53,166,159</u>

The following table shows the range of outstanding principal balances of loans outstanding as of December 31, 2011:

<u>Outstanding Principal Balance 12/31/2011</u>	<u>Number of Loans</u>
Under \$25,000	18
\$25,000 - \$99,999	24
\$100,000 - \$499,999	35
\$500,000 - \$999,999	18
\$1,000,000 and above	12

The following table shows loans from HIS Fund with an outstanding principal balance of \$1,000,000 or more as of December 31, 2011, all of which are secured by a mortgage, and the maturity date, current monthly payment and principal balance thereof:

<u>TYPE OF LOAN</u>	<u>Maturity Date</u>	<u>Monthly Payment</u>	<u>Principal Balance 12/31/2011</u>
AG District	03/13/2041	\$6,700.02	\$1,025,868.61
Church	02/29/2041	\$7,457.16	\$1,113,339.94
Church	09/30/2035	\$10,453.97	\$1,121,237.35
Church	10/26/2026	\$7,131.94	\$1,267,901.66
Church	07/17/2041	\$13,507.32	\$1,939,698.28
Church	08/07/2041	\$13,708.94	\$2,064,942.69
Church	09/11/2035	\$14,982.68	\$2,123,304.26
Church	10/16/2041	\$15,054.71	\$2,506,677.24
Church	08/29/2041	\$17,439.00	\$2,667,009.83
Church	11/14/2041	\$22,864.71	\$3,525,250.00
Church	08/20/2041	\$25,943.92	\$3,979,700.55
Church	01/01/2034	\$29,759.83	\$5,494,123.29

HIS Fund is dependent on loan fund operations as a source of funds for the repayment of principal and interest on the Notes. Repayment of loans by borrowers depends on the financial condition of the borrowers. To the extent HIS Fund is dependent upon funds other than operating income to repay principal and interest on outstanding obligations, and to the extent that existing investors do not extend their investments or renew their investments in amounts as substantial as has been the case in the past, there may be an effect on HIS Fund's financial condition and it may be necessary to redeem certain of its investments or obtain funds from other sources, including borrowings to meet current cash needs. It may be noted, however, that since the Loan Fund's organization in 1981, a payment of principal or interest by HIS Fund (or its predecessor loan fund) on any of the Notes has never been missed.

In attracting borrowers, HIS Fund competes with banks, financial institutions and other church extension loan funds, some of which may from time to time offer potential borrowers more attractive loan terms than HIS Fund. Borrowers are generally free to repay loans prior to maturity without penalty, unless otherwise provided in loan documentation at the time a loan is made.

As of December 31, 2011 and December 31, 2010, there were no outstanding loans made by HIS Fund (including the predecessor loan fund) outstanding that were delinquent (more than 90 days

overdue) in agreed upon payment of either interest or principal. See “Allowance for Loan Losses.” HIS Fund frequently adjusts loan terms for its borrowers who are having difficulty making otherwise scheduled payments. Because of the nature of its ministry HIS Fund is frequently willing to consider agreeing to revised loan terms or refinancing on revised terms when a borrower encounters difficulties meeting loan obligations. So long as the borrower meets the revised loan terms it is not considered to be in default.

It is the purpose of HIS Fund to aid its borrowers in every instance to meet their obligations without foreclosure. HIS Fund may also work with units of the church, which, although not obligated to do so, may be willing to aid a financially distressed church to repay its indebtedness. No assurance can be given that HIS Fund will be able or willing to refinance or accommodate all borrowers who may in the future become delinquent.

In 2010 the trustee of a trust in which HIS Fund is effectively the sole beneficiary foreclosed on church properties securing two loans made by the trust in Missouri and North Carolina, and then sold the foreclosed properties to the occupying local church, with the trust providing seller financing. See “USE OF PROCEEDS – Investments.”

Loan Policies and Processing

Terms of loans, including applicable interest rates and amortization schedule, are established at the discretion of HIS Fund. Interest rates may be variable or fixed. Interest rates of loans are determined in the discretion of HIS Fund. The term of most new loans range from 15 to 30 years. Some loans may be interest only for all or part of their term. Some loans may have a balloon payment due at the end of the stated amortization period or term.

Generally, loans will be made to a congregation only after investigation of the organization's giving pattern and resources has established to HIS Fund's satisfaction the congregation's commitment to the program, potential for future growth, and its overall ability to meet principal and interest payments when due. Secured loans generally do not exceed approximately 80% of the appraised value of the completed project, although where a congregation has demonstrated exceptional commitment to its building program, as for example, written pledges from most of its members sufficient to cover the increased giving required or there is a guarantee, an exception may be made. Generally, loans to borrowers above \$50,000 will be secured by a mortgage or deed of trust in favor of the issuer in real property with a fair market value appraised at not less than the full amount of the loan. In addition, with respect to real property secured loans, HIS Fund generally requires customary lender protection for loans to third-party borrowers over \$50,000, such as title insurance or an opinion of counsel as to the validity of title and an adequate property insurance policy.

All of these requirements may be established, amended and waived from time to time by HIS Fund in its discretion.

At times loans have been made which are not secured by a mortgage on the real property of the borrower or by other collateral, including a guarantee. Such unsecured loans had aggregate outstanding balances of \$151,319 and \$423,163 at December 31, 2011 and December 31, 2010, respectively. The \$151,319 in unsecured loans outstanding as of December 31, 2011 represented a total of 13 loans, all of

which were under \$25,000. In the discretion of HIS Fund, some loans may require ratification by the Executive Presbytery of the District Council or another Assemblies of God district.

HIS Fund receives loan requests from churches and related church organizations at its principal offices in Mechanicsburg, Pennsylvania. HIS Fund may engage individuals to serve as local loan representatives to promote HIS Fund's loans to churches and to assist local churches prepare loan applications. After loan applications are properly filed, HIS Fund will review applications and documentations, and issue commitments for loans.

Allowance for Loan Losses

The allowance for loan losses represents management's estimate of losses inherent in the Loan portfolio at the end of each year. As of December 31, 2011 and 2010, HIS Fund management estimated its allowance for loan losses on loans it or its predecessor loan fund made at \$102,007. During the year ended December 31, 2010, HIS Fund increased its allowance by \$50,000 based on management's evaluation of the outstanding loan portfolio. The allowance consists of a general component that covers all loans not considered impaired. During 2009, HIS Fund established a specific allowance of \$46,816 related to one delinquent loan in the outstanding principal amount of approximately \$68,000 that was placed on nonaccrual status and was reduced to its net realized value of approximately \$21,000. The property securing this loan was sold during 2010 for \$23,006.59 and HIS Fund wrote off the balance of the \$67,815 loan or \$44,808.

The determination of an allowance for loan losses is based on the risk characteristics of the portfolio of loans, past experience, its ability to work with delinquent borrowers through other units of the Church, and other factors considered relevant. See "Allowance for Losses on Notes Receivable" in Note 1 and Note 4 to the Financial Statements included as Appendix A.

DESCRIPTION OF SECURITIES

General

The Demand Notes and Term Notes offered hereby are unsecured obligations of Heritage Investment Services Fund. HIS Fund does not anticipate that it will have any material activities other than loan fund-related activities and investment activities. HIS Fund’s primary purpose is to make unsecured and secured loans to Assemblies of God congregations and affiliated organizations for the purpose of financing the acquisition, construction, remodeling and/or furnishing of churches, parsonages or other capital projects or needs of the District and affiliated institutions, agencies, organizations and congregations. HIS Fund may make such loans outside the District in the discretion of the HIS Fund Board. See "GENERAL – Heritage Investment Services Fund, Inc." and “LENDING ACTIVITIES.”

The purchase price of the Notes is one hundred percent (100%) of the face value. The minimum initial investment for any Note is \$500. The Notes are offered for cash and no financing terms are offered. Notes with the following maturities were available for purchase as of April 24, 2012:

<u>Maturity</u>	<u>Interest Rate</u>	<u>Initial Interest Rate as of April 24, 2012</u>	<u>Minimum Principal Amount</u>
Demand Plus 30 Days	Variable	2.50%	\$500
6 month Term Note	Fixed at time of sale	2.75%	\$500
1 year Term Note	Fixed at time of sale	3.00%	\$500
2-1/2 year Term Note	Fixed at time of sale	3.25%	\$500
4 year Term Note	Fixed at time of sale	3.75%	\$500
5 year Term Note	Fixed at time of sale	4.50%	\$500
Ministry Rate Term Note*	Fixed at time of sale	N/A*	\$500

*Minimum five year maturity; interest rate depends on initial interest rate of related church loan. See “Ministry Rate term Notes and Matching Funds Loan Program.”

The initial interest rate on all Notes will depend on effective interest rates at the time of purchase. Demand Notes pay interest at a variable interest rate, which is subject to change, from time to time, in the discretion of HIS Fund. At least thirty (30) days prior to any decrease in the interest rate of a Demand Note, HIS Fund will notify the holder of such change. Term Notes pay interest at a rate fixed at the time of issuance. HIS Fund may establish, from time to time, higher rates of interest that would apply to Term Notes with higher initial investment amounts or as an incentive to new investors. In addition, HIS Fund may offer Ministry Rate Term Notes with a minimum five year term with interest rate tied to the interest rate of a loan specific congregation. See “Ministry Rate Term Notes and Matching Funds Loan Program” below. Interest rates are reviewed from time to time in the discretion of HIS Fund. HIS Fund has the responsibility for setting interest rates and does so based on its judgment of market conditions at a particular time.

Investors may allow interest to remain on deposit or they may request monthly, quarterly, semi-annual or annual distribution of interest. Notes pay simple interest unless the investor has elected to have interest remain on deposit with HIS Fund, in which case interest is compounded quarterly on the

basis of a 365-day year. HIS Fund may, in its sole discretion, redeem any Note, at any time, including prior to the stated maturity of a Term Note or at maturity, by paying the outstanding principal balance thereof and all accrued interest.

Investors with an outstanding Demand Note may deposit additional principal at any time. For Term Notes, investors may deposit additional principal to the Term Note at any time so long as at the time of the addition HIS Fund is offering new Term Notes of the same maturity and with an interest rate equal to the interest rate on the Term Note to which the addition is to be made. The minimum amount of any additional deposit to a Term Note is \$100. An investor may only make an additional deposit to an outstanding Note if the investor is eligible to invest in HIS Fund Notes at the time of the additional deposit. HIS Fund may decline additional deposits at any time in its discretion.

Investors with a large number of Notes impose an added administrative burden on HIS Fund. Therefore, HIS Fund, in its discretion, may limit the number of Notes an investor may hold. Any limitation will be applied separately to Notes purchased for an IRA.

The historical rates of interest on the Notes as of the specified dates during the last two years are set forth below. Rates for Term Notes are the rates effective for Term Notes issued on the indicated date.

Historical Interest Rates

<u>Issue Date</u>	<u>Demand plus 30 days</u>	<u>6 months</u>	<u>1 year</u>	<u>2-1/2 years</u>	<u>4 years</u>	<u>5 years</u>
4/1/12	2.50%	2.75%	3.00%	3.25%	3.75%	4.50%
1/1/12	2.50%	2.75%	3.00%	3.25%	3.75%	4.50%
10/1/11	2.50%	3.00%	3.25%	3.75%	4.25%	5.00%
7/1/11	2.50%	3.00%	3.25%	3.75%	4.25%	5.00%
4/1/11	2.50%	3.00%	3.25%	3.75%	4.25%	5.00%
1/1/11	2.50%	3.00%	3.25%	3.75%	4.25%	5.00%
10/1/10	3.25%	3.50%	3.75%	4.25%	4.75%	5.00%
7/1/10	3.25%	3.50%	3.75%	4.25%	4.75%	5.00%
4/1/10	3.25%	3.50%	3.75%	4.25%	4.75%	5.00%
1/1/10	3.25%	3.50%	3.75%	4.25%	4.75%	5.00%
10/1/09	3.25%	3.50%	3.75%	4.25%	4.75%	5.00%
7/1/09	3.25%	3.50%	3.75%	4.25%	4.75%	5.00%
4/1/09	3.25%	3.50%	3.75%	4.25%	5.00%	<u>N/A</u>

In the discretion of HIS Fund, there may be periods of time when certain maturities specified above are not offered. Five Year Term Notes first became available on May 1, 2009. The interest rate on Ministry Rate Term Notes depends on the related congregational loan. See “Ministry Rate Term Notes and Matching Funds Loan Programs” below.

Upon expiration of the maturity period of a Term Note (other than a Ministry Rate Term Note) and unless HIS Fund redeems the Note, a holder may either redeem the Term Note for the face amount thereof, plus accrued interest, renew the Note for an additional like term at the then current rate of interest being offered for such maturity, or reinvest (roll over) the Note to a new Note with a different maturity and interest rate. There is no limit to the number of times a Term Note (other than a Ministry Rate Term Note) may be renewed or reinvested. At least thirty days prior to the maturity date of the Term Note, HIS Fund will notify the holder of the maturity date, the proposed renewal terms, and provide the holder with the most current Prospectus. Ministry Rate Term Notes will not renew; however, an investor may elect to reinvest (roll over) all or part of the balance of the maturing Note by submitting a purchase application for a new Note. Notes that were issued by the District Council during operation of the predecessor loan fund will not renew or roll over into another District Council Note; instead, the Note will be redeemed by HIS Fund or, if the investor so elects, HIS Fund will issue the investor a new Note issued by HIS Fund.

The Notes are subject to restrictions on withdrawal and transfer and HIS Fund, in its discretion, may impose penalties and request processing fees as a condition to agreeing to an investor's request to redeem a Note prior to maturity or, in case of a Demand Note, prior to expiration of the 30-day notice period prior to withdrawal. See "Restrictions on Withdrawal and Transfer; Penalty and Fee on Voluntary Redemption."

HIS Fund began to issue Notes only in book entry form during 2011. When Notes are issued in book entry form, HIS Fund will send the investor written confirmation of issuance but a physical note will not be issued.

The Notes are not secured by any specific assets and payment is made from operating revenues of HIS Fund. Holders of the Notes offered hereby will be unsecured creditors of HIS Fund. Since the establishment of the predecessor loan fund in 1981, there has never been a default in payment of principal or interest on any Note.

HIS Fund may from time to time offer additional evidences of indebtedness without notifying or obtaining the consent of the holders of the Notes offered hereby. HIS Fund does not contemplate that any subsequent offering of its evidences of indebtedness will be secured obligations and hence senior to the securities offered hereby. No assurance can be given, however, that HIS Fund will not at some future date issue secured obligations which will have a prior claim to the assets of HIS Fund than the Notes. So long as any of the Notes issued or assumed by HIS Fund remain outstanding, senior secured indebtedness of HIS Fund shall in no event exceed ten percent (10%) of HIS Fund's tangible assets.

The Notes issued by HIS Fund will be unsubordinated debts of HIS Fund, with the result that in the event of liquidation or any distribution of assets upon bankruptcy, reorganization or similar proceedings with respect to HIS Fund, all unsubordinated debt obligations of HIS Fund issued to the investors, including the Notes, will have an equivalent claim to HIS Fund's assets. As of December 31, 2011, HIS Fund had no mortgage loans or mortgage notes payable, or other secured indebtedness, which had a superior claim to HIS Fund's assets over the Notes. With respect to any Note, failure of HIS Fund to pay principal and/or interest when due as required will be an event of default by HIS Fund, but only as to that Note.

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 Securities Investor Protection Corporation, any state bank insurance fund or any other governmental agency. The Notes issued by HIS Fund are not obligations of, nor guaranteed by, the District Council, the Assemblies of God or by any other church, conference, institution or agency affiliated with the Assemblies of God other than HIS Fund.

HIS Fund may call and thereby redeem any or all of the Notes at any time by paying the principal amount and accrued interest thereon. Election by HIS Fund to call a Note shall be deemed given when written notice of said election is deposited in the United States mail addressed to the Note holder at such holder's last known address of record with HIS Fund, certified or registered mail, return receipt requested, and postage prepaid. The Note holder shall deliver the Note to HIS Fund and at the time of such delivery, the principal and all accrued interest shall be paid. If a Note is called, interest shall accrue until the Note is delivered to HIS Fund or until sixty (60) days after such notice is given, whichever shall first occur. If a Note was issued in book entry form, the principal and all accrued interest shall be paid on the date of redemption.

HIS Fund may, in its discretion, from time to time offer a higher interest rate for Notes issued to investors whose outstanding Notes issued by the District Council are redeemed by HIS Fund either at or prior to maturity (with waiver of any early redemption penalties that otherwise may apply).

The purchase of the Notes does not entitle the purchaser to an equity interest in HIS Fund or the right to vote on corporate matters brought before HIS Fund or its Board.

Ministry Rate Term Notes and Matching Funds Loan Program

Factors that HIS Fund considers when committing to make a loan to an eligible church or other organization include, among others, available funds and the rate that HIS Fund can earn on its invested funds. HIS Fund may, from time to time, agree with a church eligible to borrow from HIS Fund (a "Borrowing Church") to lend funds to the Borrowing Church in an amount and at an interest rate that takes into consideration investments in Ministry Rate Term Notes by the Borrowing Church or otherwise eligible investors in HIS Fund Notes who are members of or participants in the Borrowing Church or have some other affiliation or relationship with the Borrowing Church ("Matching Fund Participants").

By investing in Ministry Rate Term Notes, Matching Fund Participants support the project of the Borrowing Church that is to be financed, in whole or in part, with a loan from HIS Fund, by making it possible for HIS Fund to make a loan to the Borrowing Church in a higher amount or at a lower interest rate than HIS Fund would do otherwise.

The terms of Ministry Rate Term Notes will be the same as the other Term Notes offered and sold by HIS Fund described in this Prospectus, except as follows:

1. The maturity date of a Ministry Rate Term Note will be the later of (i) the fifth anniversary of the date of the Note and (ii) the fifth anniversary of the closing (funds disbursement) date of the Borrowing Church's loan from HIS Fund, but in no event later than five and one-half years after the date the Note is issued.

2. The interest rate on a Ministry Rate Term Note purchased by the Borrowing Church's Matching Fund Participants will be a rate that is not more than 2.50% less than the initial interest rate on the Borrowing Church's loan from HIS Fund. For example, if the initial interest rate on the loan to the Borrowing Church is 5.5%, the rate on the related Ministry Rate Term Notes will be no less than 3.00% (5.5% minus 2.50%). This rate will be established by HIS Fund prior to the offer and sale of the Ministry Rate Term Notes related to a Borrowing Church's loan and will be set forth in a rate notice that will accompany this Prospectus. If the contemplated loan to the Borrowing Church is not made within 6 months after the sale of a Ministry Rate Term Note to the investor, the interest rate on the Ministry Rate Term Note will become a variable rate equal to the variable rate applicable to the then outstanding Demand Notes issued by HIS Fund.
3. If the interest rate on the Ministry Rate Term Note becomes the variable interest rate payable on Demand Notes issued by HIS Fund because the loan to the Borrowing Church was not made within 6 months of the date of the Note, there will be no restrictions on withdrawals and no penalties on early withdrawal.
4. As is the case with other Term Notes, a holder of a Ministry Rate Term Note may redeem the Note at maturity. A Ministry Rate Term Note will not automatically roll over into another Ministry Rate Term Note and the balance of the Note will be paid out to the holder at maturity unless the holder elects to reinvest by submitting a purchase application for a new Note. HIS Fund will notify the holder of a Ministry Rate Term Note at least thirty (30) days prior to a Note's maturity date and provide the holder with the most current Prospectus.
5. No withdrawals from a Ministry Rate Term Note will be permitted while the Borrowing Church's loan from HIS Fund is outstanding. HIS Fund may waive this restriction with respect to any or all holders of Ministry Rate Term Notes in its discretion; however, it does not have any present plans to do so. See "DESCRIPTION OF SECURITIES – Restrictions on Withdrawal and Transfer; Interest Penalty on Voluntary Redemption" in the accompanying Prospectus for further information on withdrawals and penalties.
6. As is the case with all of the Notes HIS Fund offers, HIS Fund may call and thereby redeem any or all of the Notes at any time by paying the principal amount and accrued interest thereon. See "DESCRIPTION OF SECURITIES – General." HIS Fund may call and redeem, in whole or in part, any or all of the Ministry Rate Term Notes related to a particular Borrowing Church. One situation in which HIS Fund might utilize this right is if a Borrowing Church makes prepayments on its outstanding loan from HIS Fund. In such a situation, HIS Fund may determine that, in light of the then prevailing interest rate environment, it is advisable for HIS Fund to redeem, in whole or in part, the Ministry Rate Term Notes issued in connection with the Borrowing Church's loan from HIS Fund in order to reduce HIS Fund's interest expense.

Ministry Rate Term Notes are not pledged as security for the loan to the Borrowing Church and HIS Fund will not have any rights against a holder of a Ministry Rate Term Notes or any lien or security interest in the Ministry Rate Term Notes in the event the Borrowing Church defaults on its obligations to HIS Fund with respect to the loan. It is possible that Ministry Rate Term Notes may,

under certain circumstances, constitute “below-market” rate loans subject to the imputed interest rules of the IRS. See “Tax Considerations.”

There were no Ministry Rate Term Notes outstanding as of December 31, 2011.

Restrictions on Withdrawal and Transfer; Penalty and Fee on Voluntary Redemption

Notes are non-transferable, other than by will or inheritance, without the prior written approval of HIS Fund. In addition to any other conditions HIS Fund may impose, in its discretion, before approving the transfer of a Note, HIS Fund may require the transferee to satisfy HIS Fund that the transferee is a person whose primary interest in acquiring the Note is to assist in the objectives of HIS Fund, and at such transfer the transferee must acknowledge in writing that such transferee has received this or the then current Prospectus. Transfers other than by will or inheritance must be to persons who are, at the time of transfer, members of, contributors to or participants in the General Council of the Assemblies of God, the District Council or in any program, activity or organization which constitutes a part of the General Council, or the District Council or in other church organizations that have a programmatic relationship with the General Council or the District Council, and self-directed individual retirement accounts (including both regular and Roth individual retirement accounts, “IRAs”) of such persons.

The holder of a Note does not have a right to require HIS Fund to redeem a Note prior to the stated maturity date or, in the case of a Demand Note, prior to expiration of the Demand Note's 30 day required notice period prior to redemption. In the case of the voluntary early redemption of Term or Demand Notes at the request of the holder, HIS Fund, in its discretion, may impose an interest penalty of up to one month's interest, not to exceed total interest earned, and a request processing fee in an amount determined by HIS Fund from time to time. No interest penalty or request processing fee will be imposed if the early redemption is as a result of the death of the Note holder.

No withdrawals from a Ministry Rate Term Note will be permitted while the Borrowing Church's loan from HIS Fund is outstanding. HIS Fund may waive this restriction with respect to any or all holders of Ministry Rate Term Notes in its discretion; however, it does not have any present plans to do so.

IN ORDER TO PROTECT THE INTEREST OF ALL INVESTORS, HIS FUND RESERVES THE RIGHT TO SUSPEND REDEMPTIONS OR POSTPONE THE DATE OF REPAYMENT FOR ANY PERIOD, NOT TO EXCEED THIRTY (30) DAYS, DURING WHICH AN EMERGENCY EXISTS AS DETERMINED BY HIS FUND EITHER BECAUSE OF EXCESSIVE REDEMPTIONS OR OTHERWISE.

Tax Considerations

Generally, purchasers of the Notes offered hereby will recognize neither gain nor loss for federal income tax purposes upon redemption of such securities, whether at or prior to maturity, nor will they receive a charitable deduction upon the purchase of a Note. Generally, for federal income tax purposes the interest paid or payable by HIS Fund on the Notes will be taxable as ordinary income to the holder, unless the holder is a tax-exempt organization. If interest is accrued over the life of the Note and is paid at withdrawal or termination, the holder must nevertheless report such interest as income on his or her

federal income tax returns and state income tax returns, if applicable, ratably over the life of the security as it accrues.

Any Notes which would bear interest at “below-market” rates may fall within the imputed interest provisions of Section 7872 of the Internal Revenue Code, which, in some cases, impose tax liability on purchasers for the difference between market rates and the interest actually paid. The Internal Revenue Service has issued temporary and proposed regulations interpreting these provisions. The temporary regulations state that certain loans carrying “below market” rates of interest will be exempted from the imputed interest provisions of the Code. The exemptions include a gift loan to a charitable organization (described in Code section 170(c)) if, at no time during the taxable year, the aggregate outstanding amount of loans by the lender to that organization exceeds \$250,000. The rate of Ministry Rate Term Notes may, under certain circumstances, constitute “below market” rates under the IRS regulations (the investor in the Ministry Rate Term Notes would be viewed as the “lender” to HIS Fund for purposes of these registrations).

IRA account holders directing the investment of their IRA account assets in the Notes will generally not be taxed on the interest earned during the period a Note is held in the IRA account. The holder will be taxed at the time of the withdrawal. IRA account holders should consult applicable provisions of the Internal Revenue Code and related regulations.

Under the backup withholding rules, a holder of any Note may be subject to backup withholding at a rate of 28% with respect to reportable payments (including interest, dividends, original issue discount and proceeds of certain sales), unless such a holder (a) is a corporation, exempt from tax under Section 501(a) of the Internal Revenue Code, an IRA or comes within certain other exempt categories and, when required, demonstrates this fact, or (b) provides a certified taxpayer identification number, certifies that the holder is not subject to backup withholding, and otherwise complies with applicable requirements of the backup withholding rules. A holder of a Note who does not provide HIS Fund with his or her correct taxpayer identification number may be subject to penalties imposed by the Internal Revenue Service. Backup withholding is not an additional tax. Any amounts so withheld may be credited against the federal income tax liability of the person subject to such withholding.

PURCHASERS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS REGARDING THE ACTUAL TAX CONSEQUENCES TO THEM OF A PURCHASE AND HOLDING OF A NOTE, INCLUDING THE TAXABILITY OF THE NOTES UNDER STATE AND LOCAL TAX LAWS AND, IF APPLICABLE, INTERNAL REVENUE CODE PROVISIONS AND RELATED REGULATIONS RELATED TO IRA AND HSA ACCOUNTS.

Outstanding Debt Obligations

HIS Fund’s primary means of obtaining the funds necessary to conduct HIS Fund operations is through receipt of proceeds from the sale of debt obligations, including the Notes offered hereby. HIS Fund will also generate income from interest on the loans to borrowers and investments of assets.

As of December 31, 2011 and December 31, 2010, respectively, HIS Fund had outstanding Notes in the aggregate principal amount (including accrued interest) of \$76,809,025 and \$62,879,757, respectively.

As of December 31, 2011 and December 31, 2010, respectively, the District Council held \$4,995,623 and \$4,762,499, respectively, in aggregate principal amount of Notes issued by HIS Fund, representing 6.50% and 7.57%, respectively, of the aggregate principal amount of Notes then outstanding.

The following tables show the distribution of outstanding Notes by year of maturity and initial maturity, respectively.

Notes Payable by Year of Maturity

<u>Remaining Maturity</u>	<u>Principal Outstanding as of 12/31/11</u>
On demand	\$ 5,822,037
2012	19,045,439
2013	7,426,636
2014	9,720,162
2015	14,203,543
2016	<u>20,591,208</u>
Total	\$76,809,025

Notes Payable by Initial Maturity

<u>Initial Maturity</u>	<u>As of 12/31/11</u>		<u>As of 12/31/10</u>	
	<u>Principal Amount</u>	<u># of Notes</u>	<u>Principal Amount</u>	<u># of Notes</u>
Demand	\$5,822,037	203	\$ 4,341,233	209
6 months	\$1,070,355	108	1,194,073	110
12 months	\$5,299,747	371	3,892,392	307
30 months	\$3,060,461	288	3,210,975	298
48 months	\$23,361,182	1,935	32,979,684	2,501
60 months	<u>\$38,265,243</u>	<u>2,293</u>	<u>17,261,400</u>	<u>1,285</u>
Total	\$76,809,025	5,198	\$62,879,757	4,710

Sales in 2011 and 2010

For 2011 and 2010, total sales of Notes, including renewals and reinvestments (rollovers) of matured obligations, were \$37,257,394 and \$26,620,901, respectively. Of the total sales during 2011 and 2010, \$23,104,981 and \$18,347,477, respectively, was purchased by individuals, \$6,168,073 and \$4,499,825, respectively, was purchased by churches, and \$7,984,340 and \$3,773,599, respectively, was purchased by other church-related units. Of the total sales of Notes in 2011, \$26,059,115 represented new sales (including new deposits to existing Notes), and \$17,198,279 represented renewals and reinvestments (rollovers) of maturing obligations. Of the total sales of Notes in 2010, \$12,999,822 represented new sales (including new deposits to existing Notes), and \$13,621,079 represented renewals and reinvestments (rollovers) of maturing obligations.

Liquidity Reserves

Since the inception of the predecessor loan fund, sufficient funds have been generated from all sources to make all principal and interest payments required on outstanding Notes. The funds available from operations and other sources, prior to the deduction of interest expense, for the years ending December 31, 2011 and 2010 totaled \$38,915,283 and \$26,733,618, respectively. This primarily is composed of operating income or loss, loan principal repayments and the receipt of funds from sale of Notes. For the years ending December 31, 2011 and 2010, repayment of Notes (excluding renewals of matured obligations and compound interest) totaled \$9,517,584 and \$6,622,600, respectively, and interest expense on Notes totaled \$3,230,402 and \$2,892,354, respectively.

As of December 31, 2011 and December 31, 2010, the aggregate cash, cash equivalents and fair value of marketable securities available were \$17,875,071 and \$21,356,463, respectively. Included in these amounts as of December 31, 2011 and December 31, 2010, were \$2,080,873 and \$11,061,399, respectively, representing deposits in Assemblies of God affiliates that HIS Fund considers cash equivalents because of their high liquidity. See "USE OF PROCEEDS – Investments."

See the Financial Statements included in this Prospectus as Appendix A.

Method of Sale

The Notes are offered directly by HIS Fund and no direct or indirect commissions or other sales-based compensation will be paid to any individual or organization in connection with the offer and sale of the Notes. Only authorized officers and employees of HIS Fund and persons acting under their supervision are authorized to sell the Notes.

Prospective investors may obtain a Prospectus for the Notes by contacting the HIS Fund office, including through the Loan Fund website at www.hisfund.com. HIS Fund will then transmit the Prospectus to the prospective investor. Prospectuses may also be distributed from time to time to churches and Assemblies of God affiliates at church meetings and denominational conferences. If the investor wishes to purchase a Note, the investor completes the purchase application form accompanying the Prospectus for the appropriate maturity of the Note and sends this with a check in the amount of the purchase to HIS Fund in Mechanicsburg, Pennsylvania. If HIS Fund accepts the offer to purchase, the investor will receive by mail written confirmation that the Note was issued in book entry form, dated the date of acceptance, will be returned to the investor.

The Notes will be offered and sold only to persons who are, prior to or at the time of receiving a purchase application, members of, contributors to or participants in the General Council of the Assemblies of God, the District Council or in any program, activity or organization which constitutes a part of the General Council or the District Council, or in other church organizations that have a programmatic relationship with the General Council or the District Council, and IRAs of such persons.

Investors who purchase or direct the purchase of Notes for their IRA are responsible for any fees or other amounts charged by their account custodians. HIS Fund is not eligible to serve as an IRA custodian. Helpful information on how to establish an IRA can be found on the HIS Fund website (www.hisfund.com).

HIS Fund reserves the right, in its sole discretion, to reject a request to purchase a Note by any person or entity, to limit the amount which may be invested by any person or entity, and to limit the number of Notes that one investor may hold.

MANAGEMENT

HIS Fund Directors and Officers

The HIS Fund Board of Directors and officers manage HIS Fund. Directors of HIS Fund, other than ex officio directors, serve one year terms unless another term is specified at the time of election, with no limit on the number of consecutive terms. The Superintendent and Secretary/Treasurer of the District Council are ex officio directors of HIS Fund. Except for ex officio directors, persons to fill vacancies on the HIS Fund Board will be elected by HIS Fund directors.

The officers of HIS Fund, whose background is set forth below, are as follows: Chairman and President – Philip Bongiorno, Chief Executive Officer and Chief Financial Officer – Michael T. Bongiorno, Vice Chairman/Vice President – Stephen R. Tourville, and Secretary – David P. Crosby, Sr. See “GENERAL - Heritage Investment Services Fund. Inc.” and “- Loan Fund.” Listed below is information on the current HIS Fund directors, with officer positions, if any, indicated after a director’s name.

<u>Name and Address</u>	<u>Age</u>	<u>Term Expires</u>	<u>Principal Occupation(s) Last Five Years</u>	<u>Education</u>
Michael T. Bongiorno (Chief Executive Officer and Chief Financial Officer) 136 Briarwood Court Camp Hill, PA 17011	56	2013	Chief Executive Officer of HIS Fund since inception; Executive Director of the Loan fund 2000-2008; special Assistant to the Superintendent 1997-2000	Associate Degree in Business Administration, 1980 – Harrisburg Area Community College
Philip Bongiorno (Chairman and President) 4651 Westport Drive Mechanicsburg, PA 17050	79	2013	Retired, Superintendent/President of District Council 1978-2002	Ministerial Degree, 1955 – Northeast Bible Institute (now Valley Forge Christian College)
David P. Crosby, Sr. (HIS Fund Secretary) 2 Drexel Hills Circle New Cumberland, PA 17070	66	<u>ex-officio</u>	Secretary/Treasurer of District Council 2001 to present	Master of Arts, 1985 - International Seminary
Robert S. Harris 940 Plank Road New Freedom, PA 17349	79	2013	Senior Pastor Shrewsbury Assembly of God in Shrewsbury, PA 1980-present	Ministerial Diploma, 1954 – Zion Bible College
Elmer T. Kipe 5 Stone Spring Lane Camp Hill, PA 17011	77	2013	Retired; Pastor of Bethel Assemblies of God, Chambersburg from 1995-2001	Ministerial Diploma – Northeast Bible Institute (now Valley Forge Christian College)

Thomas E. Rees 71 White Oak Blvd. Mechanicsburg, PA 17050	50	2013	Assistant to the Superintendent 2000 to present; Director, U.S. Missions and Church Development; Dir., Men's Ministries	Master of Science in Education, 1993 - Temple University
J. Clayton Sheridan 1108 Baldwin Street Mechanicsburg, PA 17055	77	2013	Retired; Secretary/Treasurer of District Council 1992-2001	Three year Diploma, Pastoral Theology, 1965 – Valley Forge Christian College
Stephen R. Tourville (HIS Fund Vice Chairman) 9 Irongate Court Mechanicsburg, PA 17055	60	<u>ex-officio</u>	Superintendent June 2002 to Present; Inter-Cultural Ministries Director of A/G Homes Mission Department at National A/G Headquarters in Springfield, MO from 2001 to June 2002	Doctor of Ministry, 2008 – Assemblies of God Theological Seminary

The above named individuals are ordained ministers of the Assemblies of God. None of the HIS Fund directors has professional experience, training or education in administering a loan fund or in financial management.

Remuneration and Other Transactions

Members of the Board of the Directors of HIS Fund receive reimbursement for actual expenses incurred in attending meetings of the Board or any committee. The members of the Board holding District Council offices may receive compensation from the District Council for services to the District Council as determined by the Executive Presbytery.

Set forth below is the 2011 and scheduled 2012 compensation of directors and executive officers of HIS Fund (there are no employment contracts):

	<u>Compensation</u>	
	<u>2011</u>	<u>Scheduled 2012</u>
Philip Bongiorno, HIS Fund Director, Chair and President	\$36,900	\$36,900
Michael T. Bongiorno, HIS Fund Director, Chief Executive Officer and Chief Financial Officer	\$108,948	\$109,035

Additionally, for the year ended December 31, 2011, HIS Fund paid the following amounts for benefits for Michael Bongiorno: approximately \$18,791 for his family health/dental/vision insurance, approximately \$2,123 for long-term disability insurance and approximately \$11,115 as a retirement contribution. The compensation paid to Philip Bongiorno for 2011 was paid in the form of a retirement plan contribution. No other executive officer of HIS Fund received any compensation in 2011.

Prior to 2012, the District Council provided certain information technology services to HIS Fund and HIS Fund reimbursed the District Council for those services based on an estimate of the time District Council staff devote to services for HIS Fund. Prior to HIS Fund's relocation to offices it purchased in

2011, the District Council also provided HIS Fund with office space in the District Council's headquarters. See "DESCRIPTION OF PROPERTIES" below. The District Council and the officers and directors of HIS Fund may also invest from time to time in HIS Fund Notes on the same terms as other investors. Except for the foregoing and as set forth above under "LENDING ACTIVITIES - Loans" and "USE OF PROCEEDS – Related Party Transactions," during 2011 there have been no material transactions or agreements between HIS Fund and any of the directors of HIS Fund, or any company directly or indirectly controlled by any such person or persons.

DESCRIPTION OF PROPERTIES

HIS Fund owns real estate and two contiguous buildings in Mechanicsburg, Pennsylvania. HIS Fund's offices are located in one building and HIS Fund leases to unrelated third parties a shop area and a dentist office. Prior to the purchase of this property in 2011, HIS Fund did not own any real property and did not lease any real property, except that HIS Fund's offices and its operations were conducted out of offices at the District Council's office building in Mechanicsburg, Pennsylvania. For 2010, HIS Fund reimbursed the District Council \$12,000 for use of office space. For 2011, HIS Fund reimbursed the District Council \$4,500 for the offices it used prior to relocation.

Except as described above, HIS Fund owns no other buildings or property other than office furniture and equipment. See the Financial Statements of HIS Fund at Appendix A.

EMPLOYEES

HIS Fund has five paid employees, the Chief Executive Officer, an operations manager, an administrative assistant, a clerical assistant and an administrative support assistant. See "MANAGEMENT - Remuneration and Other Transactions" for information on compensation of HIS Fund directors and executive officers.

FINANCIAL STATEMENTS

The financial statements for HIS Fund as of December 31, 2011 and 2010 and for the years ended December 31, 2011, 2010 and 2009 included in Appendix A have been audited by ParenteBeard LLC, Certified Public Accountants and Consultants, as stated in their report thereon.

LEGAL PROCEEDINGS

There are no pending or threatened material legal proceedings known to be contemplated by government authorities, administrative bodies or other persons, to which HIS Fund, including the Loan Fund, is a party or to which any of its property is or may be subject.

LEGAL OPINION

Rhoads & Sinon LLP, Harrisburg, Pennsylvania, legal counsel to HIS Fund, has issued an opinion to HIS Fund Board of Directors that the securities offered hereby, when issued, will be legally issued and outstanding, fully paid and non-assessable and will constitute valid and binding debt obligations of HIS Fund.

ANNUAL MEETING

HIS Fund is not required to hold an annual meeting. Holders of the debt securities offered hereby are not entitled to notice of meetings of the HIS Fund Board and have no voting rights by reason of investment in the Loan Fund.

FINANCIAL REPORTS TO INVESTORS

Copies of HIS Fund's audited financial statements will be distributed to then current investors within 120 days after the close of HIS Fund's fiscal year. In addition, copies of the District Council's audited financial statements will be distributed to holders of any then outstanding Notes originally issued by the District Council which were assumed by HIS Fund within 120 days after the close of the District Council's fiscal year.



**3 KACEY COURT, SUITE 101
MECHANICSBURG, PA 17055
Toll Free: (866) 219-0820
Phone: (717) 796-9784
Fax: (717)795-9568
www.hisfund.com**

PERSONAL NOTE PURCHASE APPLICATION

Please complete and sign this application and return it, along with your check, to the above address. A separate purchase application must be completed and submitted for each Note you desire to purchase. HIS Fund, in its discretion, may limit the number of Notes an investor may hold (any limitation will be applied separately to Notes purchased for an IRA). Checks should be made payable to “Heritage Investment Services Fund, Inc.” An investor purchasing a Note for a self-directed IRA must complete an IRA Note Purchase Application instead of this Application.

TYPE OF ACCOUNT DESIRED *(Please check only one):*

- Individual (one account name only)
- Joint Tenants with Right of Survivorship*
- UTMA Custodial Account for Minor**

Primary Account Owner or Minor Information if UTMA Account			Joint Owner or UTMA Custodian Information (if applicable)		
FIRST NAME	MI	LAST NAME	FIRST NAME	MI	LAST NAME
SOCIAL SECURITY NUMBER		DATE OF BIRTH (mm/dd/yyyy)	SOCIAL SECURITY NUMBER		DATE OF BIRTH (mm/dd/yyyy)
STATE OF RESIDENCE			STATE OF RESIDENCE		
MAILING ADDRESS			MAILING ADDRESS		
Street _____			Street _____		
City _____ State _____ Zip Code _____			City _____ State _____ Zip Code _____		
Telephone No.: _____			Telephone No.: _____		
Email: _____			Email: _____		
			RELATIONSHIP OF JOINT ACCOUNT HOLDER/UTMA CUSTODIAN TO PRIMARY ACCOUNT HOLDER/MINOR: _____		

***For joint accounts:** The primary account owner’s name and social security number listed will be used for tax reporting purposes. HIS Fund limits joint accounts to the primary account owner and one additional joint owner. Both joint account owners must sign this Application below. However, in the discretion of HIS Fund, only the signature of one of the account owners may be required for transactions with respect to a joint account, including withdrawals, renewals and reinvestment. HIS Fund may act at any time on the instructions of either account owner and withdrawal checks may be made payable to either named account owner. Account statements and other correspondence will be sent only to the address of the primary account owner. Please consult with your tax advisor regarding possible tax implications of joint accounts.

****For UTMA accounts:** Tthe minor’s name and social security number will be used for tax reporting purposes. The UTMA custodian must sign this Application below. All account statements and correspondence will be sent to the custodian. Please consult with your tax advisor regarding possible tax implications of UTMA accounts.

AMOUNT OF PURCHASE: \$ _____ (\$500 minimum) (DO NOT SEND CASH)

TYPE OF NOTE DESIRED (Please check only one - See "Description of Securities" in the Prospectus):

- Demand plus 30 days prior notice of withdrawal
- 6 Month Term Note
- 1 Year Term Note
- 2 ½ Year Term Note
- 4 Year Term Note
- 5 Year Term Note
- Ministry Rate Term Note related to the following Borrowing Church: _____
(available only if the church is participating in a matching funds loan program)

INTEREST OPTIONS (Please check either "Compound Interest" or "Pay Interest" below and, if you choose "Pay Interest," please check one of the interest payment options. If you do not elect any of the options, all interest will be automatically redeposited. Interest is compounded quarterly only if interest is left on deposit. Interest rate on all Demand Notes is variable. Interest on Term Notes is fixed at time of issuance. See "Description of Securities" in the Prospectus.)

- Compound Interest (redeposit)
- OR** Pay Interest (please choose payment frequency by checking one of the options below)
 - Monthly
 - Quarterly
 - Semi-Annually
 - Annually (not available with 2 ½ Year Note)

The undersigned hereby applies to purchase a Note in accordance with this Application and the provisions of the Prospectus dated April 24, 2012 receipt of which is hereby acknowledged. The undersigned represents that the undersigned is a member of, contributor to or participant in the General Council of the Assemblies of God, the Pennsylvania-Delaware District Council of the of the Assemblies of God, or in a program, activity, or organization which constitutes a part of the General Council or the District Council, or in a church organization that has a programmatic relationship with the General Council or the District Council.

Primary Account Owner/UTMA Custodian Signature **Date:** _____

Joint Owner (if applicable) **Date:** _____

Acceptance of this Application by HIS Fund will be evidenced by a written confirmation or executed Note in the discretion of HIS Fund. HIS Fund reserves the right to reject any application for any reason in its discretion. Restrictions on withdrawal and transfer apply.

IF YOU HAVE ACCEPTED AN OFFER TO PURCHASE THESE SECURITIES DESCRIBED IN A PROSPECTUS WHICH CONTAINS A NOTICE EXPLAINING YOUR RIGHT TO WITHDRAW YOUR ACCEPTANCE PURSUANT TO SECTION 207(m)(1) OF THE PENNSYLVANIA SECURITIES ACT OF 1972 (70 P.S. §1-207(m)), YOU MAY ELECT, WITHIN TWO BUSINESS DAYS AFTER THE FIRST TIME YOU HAVE RECEIVED THIS NOTICE AND A PROSPECTUS (WHICH IS NOT MATERIALLY DIFFERENT FROM THE FINAL PROSPECTUS), TO WITHDRAW FROM YOUR PURCHASE AND RECEIVE A FULL REFUND OF ALL MONIES PAID BY YOU. YOUR WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, YOU NEED ONLY SEND A WRITTEN NOTICE (INCLUDING A NOTICE BY FACSIMILE OR ELECTRONIC MAIL) TO THE ISSUER (OR UNDERWRITER IF ONE IS LISTED ON THE FRONT PAGE OF THE PROSPECTUS) INDICATING YOUR INTENTION TO WITHDRAW.



**HERITAGE INVESTMENT
SERVICES FUND**
An investment that works

**3 KACEY COURT, SUITE 101
MECHANICSBURG, PA 17055
Toll Free: (866) 219-0820
Phone: (717) 796-9784
Fax: (717)795-9568
www.hisfund.com**

CHURCH OR AFFILIATED ORGANIZATION NOTE PURCHASE APPLICATION

Please complete and sign this application and return it, along with your check, to the above address. A separate purchase application must be completed and submitted for each Note you desire to purchase. HIS Fund, in its discretion, may limit the number of Notes an investor may hold (any limitation will be applied separately to Notes purchased for an IRA). All checks should be made payable to “Heritage Investment Services Fund, Inc.”

TO REGISTER NOTE (please print):

NAME OF CHURCH and/or ORGANIZATION _____			
FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN): ____ - _____			
ADDRESS: _____			
Street Address or Box Number			
_____	()	_____	_____
City	State	Zip	Phone

AMOUNT OF PURCHASE: \$ _____ (\$500 minimum) (DO NOT SEND CASH)

TYPE OF NOTE DESIRED (Please check only one - See “Description of Securities” in the Prospectus):

- Demand plus 30 days prior notice of withdrawal
- 6 Month Term Note
- 1 Year Term Note
- 2 ½ Year Term Note
- 4 Year Term Note
- 5 Year Term Note
- Ministry Rate Term Note related to the following Borrowing Church: _____
(available only if the church is participating in a matching funds loan program)

INTEREST OPTIONS (Please check either “Compound Interest” or “Pay Interest” below and, if you choose “Pay Interest,” please check one of the interest payment options. If you do not elect any of the options, all interest will be automatically redeposited. Interest is compounded quarterly only if interest is left on deposit. Interest rate on all Demand Notes is variable. Interest on Term Notes is fixed at time of issuance. See “Description of Securities” in the Prospectus.)

- Compound Interest (redeposit) **OR** Pay Interest (please choose payment frequency by checking one of the options below)
- Monthly
 - Quarterly
 - Semi-Annually
 - Annually (not available with 2 ½ Year Note)

The undersigned hereby applies to purchase a Note in accordance with this Application and the provisions of the Prospectus dated April 24, 2012 receipt of which is hereby acknowledged. The undersigned represents that the undersigned is a member of, contributor to or participant in the General Council of the Assemblies of God, the Pennsylvania-Delaware District Council of the Assemblies of God, or in a program, activity, or organization which constitutes a part of the of the General Council or the District Council, or in a church organization that has a programmatic relationship with the General Council or the District Council.

_____ **Date:** _____
Signature of Authorized Officer

Print Name & Title of Authorized Officer

Acceptance of this Application by HIS Fund will be evidenced by a written confirmation. HIS Fund reserves the right to reject any application for any reason in its discretion. Restrictions on withdrawal and transfer apply.

IF YOU HAVE ACCEPTED AN OFFER TO PURCHASE THESE SECURITIES DESCRIBED IN A PROSPECTUS WHICH CONTAINS A NOTICE EXPLAINING YOUR RIGHT TO WITHDRAW YOUR ACCEPTANCE PURSUANT TO SECTION 207(m)(1) OF THE PENNSYLVANIA SECURITIES ACT OF 1972 (70 P.S. §1-207(m)), YOU MAY ELECT, WITHIN TWO BUSINESS DAYS AFTER THE FIRST TIME YOU HAVE RECEIVED THIS NOTICE AND A PROSPECTUS (WHICH IS NOT MATERIALLY DIFFERENT FROM THE FINAL PROSPECTUS), TO WITHDRAW FROM YOUR PURCHASE AND RECEIVE A FULL REFUND OF ALL MONIES PAID BY YOU. YOUR WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, YOU NEED ONLY SEND A WRITTEN NOTICE (INCLUDING A NOTICE BY FACSIMILE OR ELECTRONIC MAIL) TO THE ISSUER (OR UNDERWRITER IF ONE IS LISTED ON THE FRONT PAGE OF THE PROSPECTUS) INDICATING YOUR INTENTION TO WITHDRAW.



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SELF-DIRECTED IRA NOTE PURCHASE APPLICATION

Please complete and sign this application and return it, along with your check, to the above address. A separate purchase application must be completed and submitted for each Note you desire to purchase. HIS Fund, in its discretion, may limit the number of Notes an investor may hold (any limitation will be applied separately to Notes purchased for an IRA). Checks from IRA owners should be made payable to your IRA custodian, who will be responsible for delivering the amount of the purchase price to HIS Fund. By signing this Application, the IRA account owner is instructing the custodian or trustee of the IRA to purchase the Note indicated below.

Self-Directed IRA Account Owner and Custodian/Trustee Information			
FIRST NAME	MI	LAST NAME	Type of IRA (please check one) <input type="checkbox"/> Roth IRA <input type="checkbox"/> Traditional IRA
SOCIAL SECURITY NUMBER		DATE OF BIRTH (mm/dd/yyyy)	IRA CUSTODIAN GoldStar Trust Company, P.O. Box 719, Canyon, TX 79015-0719
STATE OF RESIDENCE			If your IRA custodian or trustee is not as indicated above, please cross out the name typed above and provide correct information below: Custodian Name: _____ Custodian Address: _____ Custodian Telephone: _____
MAILING ADDRESS			
Street _____			
City _____	State _____	Zip Code _____	
Telephone No.: _____			
Email: _____			

AMOUNT OF PURCHASE: \$ _____ (\$500 minimum) (DO NOT SEND CASH)

TYPE OF NOTE DESIRED (Please check only one - See "Description of Securities" in the Prospectus):

- Demand plus 30 days prior notice of withdrawal
- 6 Month Term Note
- 1 Year Term Note
- 2 ½ Year Term Note
- 4 Year Term Note
- 5 Year Term Note
- Ministry Rate Term Note related to the following Borrowing Church: _____
(available only if the church is participating in a matching funds loan program)

INTEREST OPTIONS (Please check either "Compound Interest" or "Pay Interest" below and, if you choose "Pay Interest," please check one of the interest payment options. If you do not elect any of the options, all interest will be automatically redeposited. Interest is compounded quarterly only if interest is left on deposit. Interest rate on all Demand Notes is variable. Interest on Term Notes is fixed at time of issuance. See "Description of Securities" in the Prospectus.)

- Compound Interest (redeposit) **OR** Pay Interest (please choose payment frequency by checking one of the options below)
- Monthly
 - Quarterly
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 - Annually (not available with 2 ½ Year Note)

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_____ *Date:* _____
Self-Directed IRA Account Owner

Acceptance of this Application by HIS Fund will be evidenced by a written confirmation. HIS Fund reserves the right to reject any application for any reason in its discretion. Restrictions on withdrawal and transfer apply.

IF YOU HAVE ACCEPTED AN OFFER TO PURCHASE THESE SECURITIES DESCRIBED IN A PROSPECTUS WHICH CONTAINS A NOTICE EXPLAINING YOUR RIGHT TO WITHDRAW YOUR ACCEPTANCE PURSUANT TO SECTION 207(m)(1) OF THE PENNSYLVANIA SECURITIES ACT OF 1972 (70 P.S. §1-207(m)), YOU MAY ELECT, WITHIN TWO BUSINESS DAYS AFTER THE FIRST TIME YOU HAVE RECEIVED THIS NOTICE AND A PROSPECTUS (WHICH IS NOT MATERIALLY DIFFERENT FROM THE FINAL PROSPECTUS), TO WITHDRAW FROM YOUR PURCHASE AND RECEIVE A FULL REFUND OF ALL MONIES PAID BY YOU. YOUR WITHDRAWAL WILL BE WITHOUT ANY FURTHER LIABILITY TO ANY PERSON. TO ACCOMPLISH THIS WITHDRAWAL, YOU NEED ONLY SEND A WRITTEN NOTICE (INCLUDING A NOTICE BY FACSIMILE OR ELECTRONIC MAIL) TO THE ISSUER (OR UNDERWRITER IF ONE IS LISTED ON THE FRONT PAGE OF THE PROSPECTUS) INDICATING YOUR INTENTION TO WITHDRAW.