# Community Investment Note Prospectus

Up to $5,000,000

November 1, 2018

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| Term/Maturity: | 1 to 15 Years as Selected by Investor |
| Rate: | 1%, 1.25%, 1.5%, 1.75%, 2%, 2.25%, 2.5%, 3%, 3.5%, 4% - Depending On Term of Note - Interest Rates Increase with Term |
| Minimum Investment: | $1,000 with additional increments of $100.00 |

This prospectus contains essential information about Homewise, Inc. Community Investment Notes (individually, a "Note" and, collectively, the "Notes"), an unsecured debt security that raises capital to secure affordable housing in New Mexico. The Notes are issued by Homewise, Inc., a tax exempt 501(c)(3) New Mexico nonprofit corporation ("Homewise"). Prospective investors are advised to read this prospectus carefully prior to making any decisions to invest in the Notes. Homewise's headquarters are located at 1301 Siler Road, Building D, Santa Fe, New Mexico 87507.

This prospectus is intended to provide potential investors with information necessary to make an informed investment decision. However, nothing contained herein is intended as legal, accounting, tax, or investment advice, and it should not be taken as such. A prospective investor should consult his or her own legal counsel and/or financial advisor concerning potential investments in the Notes. An investor must rely on his or her own evaluations of Homewise, the Notes, and the terms of this offering, including the merits and risks involved.

The Note is a high-risk investment that cannot easily be liquidated. Descriptions of some of the risk factors associated with an investment in the Notes can be found in this prospectus. However, there can be no assurance that this list is comprehensive. Unforeseen risk factors not included in this prospectus may adversely affect Homewise's operations in the future. Furthermore, the Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act of 1933, as amended (the "Securities Act") and the Securities Exchange Act of 1934, as amended (the "Exchange Act") and applicable state securities laws, or pursuant to registration or exemption therefrom. Investors should be aware that they may be required to bear the financial risks of a high-risk investment for an indefinite period of time.

The return of the funds of any prospective purchaser is dependent upon the financial condition of Homewise. From a financial point of view, the Notes should not be a primary investment in relation to the overall size of an investor's portfolio. An investor in the Notes should be able to lose up to his or her entire investment without suffering financial hardship. 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.

A date has not been set for the termination of this offering. Homewise reserves the right to suspend the sale of the Notes for a period of time or to reject any specific purchase order, with or without a reason. Homewise may accept subscriptions for less than the minimum amount specified in its sole discretion. Payment from each investor will be due upon acceptance of the Subscription Agreement from the investor.

The expenses of this offering are paid from our operating funds. This offering is not underwritten and no commissions are paid for the sale of the Notes. As a result, we receive 100% of the proceeds from this offering. We offer and sell the Notes only through our officers and employees and there are no outside selling agents involved in this offering. See "Distribution" section of prospectus.
This prospectus contains all of the representations by Homewise concerning this offering. Investors are advised to read this prospectus and the Subscription Agreement form carefully prior to making any decision to purchase the Notes. Investors are cautioned not to rely on any information not expressly set forth in this prospectus. No person has been authorized to give any information or to make any representation in connection with this offering other than those contained in this prospectus, and if given or made, such information or representations must not be relied upon as having been made by Homewise.

THE NOTES ARE BEING OFFERED UNDER AN EXEMPTION FROM FEDERAL REGISTRATION PURSUANT TO SECTION 3(A)(4) OF THE SECURITIES ACT AND SECTION 3(C)(10) OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). THE SECURITIES AND EXCHANGE COMMISSION HAS NOT MADE AN INDEPENDENT DETERMINATION THAT THESE SECURITIES ARE EXEMPT FROM REGISTRATION. THE NOTES ARE NOT EXEMPT IN EVERY JURISDICTION IN THE UNITED STATES; SOME JURISDICTIONS' SECURITIES LAWS (THE "BLUE SKY LAWS") MAY REQUIRE A FILING AND A FEE TO SECURE THE NOTES' EXEMPTION FROM REGISTRATION. THE NOTES WILL NOT BE LISTED ON ANY SECURITIES EXCHANGE.

INVESTORS SHOULD CAREFULLY READ THIS PROSPECTUS IN CONJUNCTION WITH THE DISCLOSURES IN THE COMMUNITY INVESTMENT NOTE SUBSCRIPTION AGREEMENT FORM FOUND IN APPENDIX B BEFORE INVESTING. THIS FORM MAY ALSO BE OBTAINED FREE OF CHARGE BY CONTACTING HOMEWISE USING THE CONTACT INFORMATION PROVIDED IN THIS PROSPECTUS.

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY FROM ANY PERSON IN ANY STATE OR ANY OTHER POLITICAL JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION MAY NOT LAWFULLY BE MADE. FEDERAL AND STATE SECURITIES LAWS MAY AFFECT HOMEWISE'S ABILITY TO CONTINUE TO SELL NOTES IN CERTAIN STATES.

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

THE NOTES ARE NOT AND WILL NOT BE INSURED OR GUARANTEED BY ANY BANK, THE FEDERAL DEPOSIT INSURANCE COMPANY (FDIC), THE SECURITIES INVESTMENT PROTECTION CORPORATION (SIPC), OR ANY OTHER AGENCY. THE PAYMENT OF PRINCIPAL AND INTEREST TO AN INVESTOR IN THE NOTES IS DEPENDENT UPON OUR FINANCIAL CONDITION AND OPERATIONS. ANY PROSPECTIVE INVESTOR IS ENTITLED TO REVIEW OUR FINANCIAL STATEMENTS, WHICH SHALL BE FURNISHED AT ANY TIME DURING BUSINESS HOURS UPON REQUEST.

THESE SECURITIES ARE BEING OFFERED PURSUANT TO SECTION 3(A)(4) OF THE SECURITIES ACT OF 1933, AS AMENDED ("1933 ACT") WHICH EXEMPTS FROM THE REGISTRATION PROVISIONS OF THE 1933 ACT "ANY SECURITY ISSUED BY A PERSON ORGANIZED AND OPERATED EXCLUSIVELY FOR . . . CHARITABLE . . . PURPOSES AND NOT FOR PECUNIARY PROFIT, AND NO PART OF THE NET EARNINGS OF WHICH INURES TO THE BENEFIT OF ANY PERSON, PRIVATE STOCK-HOLDER OR INDIVIDUAL . . . .".THESE SECURITIES ARE BEING OFFERED PURSUANT TO N.M.S.A. §58-13B-201(G) (NEW MEXICO STATUTES) WHICH EXEMPTS FROM REGISTRATION UNDER THE NEW MEXICO UNIFORM SECURITIES ACT "A SECURITY ISSUED BY A PERSON ORGANIZED AND OPERATED EXCLUSIVELY FOR . . . CHARITABLE . . . PURPOSES . . . , AND NOT FOR PECUNIARY PROFIT, NO PART OF THE NET EARNINGS OF WHICH INURES TO THE BENEFIT OF A PRIVATE STOCK-HOLDER OR OTHER PERSON . . . ."

## STATE SPECIFIC INFORMATION

### FOR RESIDENTS OF OREGON ONLY

In order to remain in compliance with policies established by the Oregon Division of Financial Regulation, automatic rollover at maturity (as discussed on page 21) will not be offered to Oregon investors. Homewise will require positive affirmation from Oregon investors at or prior to the maturity of their investment, and in the absence of such positive affirmation the note will be closed and the principal of the note, together with any interest payable, will be returned to the investor.

**FOR RESIDENTS OF WASHINGTON ONLY**

These securities are offered or sold only to persons who, prior to their solicitation for the purchase of said securities, were members of, or contributors to, or listed as participants in, the organization, or their relatives. Relatives are defined in RCW 21.20.005(13) as (a) a member's spouse; (b) parents of the member or the member's spouse; (c) Grandparents of the member or the member's spouse; (d) natural or adopted children of the member of the member's spouse; and (f) first cousins of the member or the member's spouse.

ANY PROSPECTIVE PURCHASER IS ENTITLED TO REVIEW FINANCIAL STATEMENTS OF THE ISSUER WHICH SHALL BE FURNISHED UPON REQUEST. THE RETURN OF THE FUNDS OF THE PURCHASE IS DEPENDENT UPON THE FINANCIAL CONDITION OF THE ORGANIZATION. RECEIPT OF NOTICE OF EXEMPTION BY THE WASHINGTON ADMINISTRATOR OF SECURITIES DOES NOT SIGNIFY THAT THE ADMINISTRATOR OF SECURITIES HAS APPROVED OR RECOMMENDED THESE SECURITIES, NOR THAT THE ADMINISTRATOR HAS PASSED UPON THE OFFERING. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

# TABLE OF CONTENTS

## KEY INVESTMENT TERMS

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| **Issuer:** | Homewise, Inc., a New Mexico nonprofit corporation that is a tax-exempt 501(c)(3) public charity. |
| **Securities Offered:** | Up to $5,000,000 of unsecured general obligation debt. |
| **Authorized Denominations:** | Minimum investments of $1,000 with increases in increments of $100. |
| **Term of Investments:** | Notes may be purchased for terms of 1 to 15 years. |
| **Interest Rates and Payment Options:** | Interest rates range from 1 to 4% depending on the maturity selected. Interest rates increase with term. |
| **Offering Period:** | No termination date has been set for this offering. |
| **Rating:** | The Notes have not been rated. |
| **Use of Proceeds:** | Proceeds of the offering will be used for general corporate purposes. Homewise's mission is to help create successful homeowners so that they improve their financial wellbeing and contribute to the vitality of our communities. Homewise provides financial counseling, property development, government program administration, fixed-rate mortgages, home improvement loans, refinance loans and real estate sales. |
| **Distribution and Administration of Notes:** | Notes will be sold by Homewise. |
| **Interest Accrual:** | Interest begins to accrue upon the date that investor funds are received. Accruals are calculated on the basis of twelve 30-day months. |
| **Ranking:** | The Notes constitute unsecured general obligations of Homewise. Homewise has secured obligations that rank senior to the Notes and has other general unsecured obligations. |

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| **Redemption at Investor's Request:** | Not available. |
| **Redemption at Homewise's Option** | Homewise may, at its election, call and redeem any or all of the Notes in whole or in part at any time prior to maturity at a price of the principal amount redeemed plus any accrued and unpaid interest. |
| **Renewal Options:** | If permitted by the Investor’s state of residency, an Investor may elect to automatically renew Notes at the interest rate prevailing at the maturity date. |
| **Covenants:** | The Notes are not subject to any indenture or other covenant. |
| **Risk Factors:** | Please see "Risk Factors" section in this prospectus. |
| **Tax Aspects:** | The purchase of Notes by an investor is not deductible for federal tax purposes. Any interest paid on the Notes to an investor is taxable. Please see “Tax Aspects” section in this prospectus. |

## <u>Risk Factors</u>

*An investment in the Notes involves various material risks, including the loss of principal. Prior to any investment, and in consultation with their financial and legal advisors, investors should carefully consider, among other matters, the following risk factors. There can be no assurance that the following list of risks associated with an investment in a Note is comprehensive. Additional risks not presently known to Homewise or that are currently deemed immaterial could also materially and adversely affect Homewise's financial condition, results of operations, business, and prospects.*

### General

The discussion herein of risks is not intended as dispositive, comprehensive or definitive, but rather is to summarize certain matters that could affect payment of principal of and interest on the Notes. The order in which such risks are presented does not necessarily reflect the relative importance of such risks or the likelihood that any of the events or circumstances described below will occur or exist.

### Risk Level of Unsecured Investments

The Notes are unsecured general obligations of Homewise and are not deposits or obligations of, or guaranteed or endorsed by, any bank or other party. You will not be a secured creditor of Homewise or have priority recourse against any of our assets. You must depend solely upon our financial condition and operations for repayment of principal and interest. Homewise has other outstanding unsecured general obligations as well as secured obligations. The Notes are not insured by any federal or state agency, including the FDIC. Payment of principal and interest will depend solely upon the financial condition of Homewise. Without such insurance or protection, an investment in our Notes is subject to investment risks, including the potential to lose the entire principal amount you invest.

No sinking fund or other similar deposit has been or will be established by Homewise to secure repayment of the principal of the Notes or to secure payment of accrued interest. As a result, our ability to repay the principal and interest on the Notes will depend on the success of our operations and the availability of other capital.

Additionally, no trust indenture has been or will be established to provide for the repayment of the Notes and no trustee has been or will be appointed. Debt, such as the obligations represented by the Notes, is often issued pursuant to a trust indenture, such as the type required for many debt offerings by the Trust Indenture Act of 1939. These indentures provide covenants and procedures to protect debt owners and appoint a trustee to act for the benefit of all debt holders, to exercise their remedies collectively, and to protect their interests. However, the Notes issued pursuant to this prospectus are not currently governed by any indenture and there is no trustee. The Notes are being issued pursuant to an exemption from the Trust Indenture Act, and the provisions of that Act designed to protect debt owners are not applicable to our investors. No trustee monitors our affairs on your behalf, no agreement provides for joint action by investors in the event we default on the Notes and you do not have the other protections a trust indenture would provide. Accordingly, in the event of a default under the Notes, each holder will have to seek available remedies on an individual basis, which is likely to be expensive and may not be economically practicable. Other than our covenant to pay principal and interest, we are making only limited covenants, representations or warranties to investors.

Therefore, the relative risk level may be higher for the Notes than for other similar securities for which a trust indenture or sinking fund is established.

**Payment of Debt Service; Revenue Sources**

Payment of the Notes depends on the ability of Homewise to generate revenues or raise capital sufficient to cover debt service on the Notes and all other indebtedness of Homewise while meeting its operating expenses and other cash requirements. No representation can be made or assurance given that revenues will be realized by Homewise in amounts sufficient to make the payments necessary to meet the obligations of Homewise and to make debt service payments on the Notes as they become due.

Homewise's net revenues are subject to a variety of economic and non-economic circumstances, many of which are not within Homewise's control. Examples of these factors include, but are not limited to, collection of loan receivables, ability to raise capital, exposure to interest rate movements, success of real property sales, loan volumes originated and fees collected, real estate sales volumes and commissions earned, ability to secure grants, and the impact of federal laws on nonprofit and charitable organizations such as Homewise. Any of these factors could adversely affect Homewise's ability to make the debt service payments on the Notes.

A significant portion of Homewise's revenue is derived from grants, which are neither guaranteed nor necessarily renewable. Large grants are often associated with lengthy and stringent application processes, which can make them difficult to obtain. In addition, periods of economic hardship can cause a decrease in revenue from grants as contributors adopt more conservative financial practices. Because of the uncertain nature of these revenue sources, there is a risk that a sudden reduction in grants could occur, which could potentially impair Homewise's ability to meet its obligations to Noteholders.

**Availability of Funding and Capital**

We already owe substantial sums to other lenders and have secured such debt with a significant portion of our assets. (See Audited Financial Statements of Homewise, Inc., which is Appendix A of this prospectus). Depending on the eventual value of Notes that we issue pursuant to this Offering and subsequent similar offerings, the amount of our other debt obligations, and the rate of delinquencies and defaults by our borrowers, our reserves may not be sufficient to cover cash shortfalls that we may periodically experience, which could adversely impact our ability to pay principal and interest on the Notes as they become due. Our most significant revenue sources include home development sales, grants and contributions, loan origination fees and interest, and real estate commissions. If our funding sources reduce their support or if we suffer unexpected defaults and losses in our loan portfolio, we could experience financial difficulties that might jeopardize our ability to pay the interest and principal due from time to time on the Notes.

### Additional Indebtedness; Liens on Assets

Homewise may issue additional indebtedness, secured or unsecured, and grant liens or encumbrances on any of its property. The incurrence by Homewise of additional indebtedness, secured or unsecured, may adversely affect Homewise's ability to make payments required on the Notes. If Homewise incurs additional indebtedness, the perception of Homewise's ability to pay debt service on the Notes, regardless of Homewise's actual ability to make such payments, may result in a decrease in the value of the Notes. The Notes are not secured by a lien on any fixed asset of Homewise. The granting of mortgages, deeds of trust, security interests and other liens on its properties to secure other obligations of Homewise may hinder or preclude realization from such properties of amounts sufficient to pay the Notes if Homewise should encounter financial difficulties.

### Maintenance of Tax-Exempt Status

Homewise has received a letter from the Internal Revenue Service ("IRS") confirming its status as a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). To maintain such status, Homewise must conduct its operations in a manner consistent with representations previously made to the IRS and with current and future IRS regulations and rulings governing tax-exempt charitable organizations.

The maintenance of the federal tax-exempt status of an organization is contingent on compliance with general rules promulgated in the Code and related regulations regarding the organization and operation of tax-exempt entities, including their operation for charitable purposes and their avoidance of transactions which may cause their earnings or assets to inure to the benefit of private individuals. One of the tools available to the IRS to discipline a tax-exempt entity for private inurement or unlawful private benefit is revocation of the entity's tax-exempt status. If the IRS were to make a finding of private inurement or unlawful private benefit, it could revoke Homewise's tax exempt status.

In recent years, the IRS and members of Congress have expressed the view that there should exist more restrictive rules governing the tax-exempt status of 501(c)(3) organizations generally. Future regulations and rulings of the IRS could adversely affect the ability of Homewise to charge and collect revenues, finance and refinance certain of its indebtedness, or otherwise generate revenues necessary to provide for payment of the Notes. If Homewise should fail to meet any of the requirements specified by the Code and regulations thereunder as necessary to maintain its tax-exempt status, Homewise, its property, and its revenues could become subject to federal, state and local taxation, and such loss of tax-exempt status would likely have a significant adverse effect on Homewise and its operations.

### Liquidity of Assets

The bulk of our assets are portfolio loans that are difficult to sell to third parties either because they do not meet the purchasers' underwriting standards, they are secured by junior mortgages, or they are deferred mortgage loans (due when the house securing the loan is sold, refinanced, or vacated by the owner). For amortizing loans, we maintain a loan loss reserve equal to 2% of the outstanding loan balance for loans that are "current" or 30 days or less past due, 10% of the outstanding balance for loans that are 31 to 60 days past due, 20% of the outstanding balance for loans that are 61 to 90 days past due, and 100% of the outstanding loan balance less an amount estimated to be recoverable for loans that are more than 90 days past due. For deferred loans, we calculate reserves based on an estimate of the value that we would receive if the property securing the loan were to be sold, subject to any loan covenants requiring a greater reserve. See "Additional Information about Homewise – Financial Covenants" in this prospectus.

Some of the capital raised by the Notes may be used to purchase and develop real property for resale. As a result, these investments are inherently illiquid. There can be no guarantee that Homewise will be able to sell the property in a timely manner. As a result, Homewise may not have enough cash on hand to repay Noteholders on time or at all.

**Federal and State Regulations**

Future changes in federal or state laws, rules, or regulations governing the sale of securities by religious, charitable, or other nonprofit organizations may make it more difficult for Homewise to offer the Notes. Such an occurrence could result in a decrease in the amount of the Notes sold by Homewise, which could potentially affect Homewise's operations and its ability to meet its obligations to Noteholders.

**Interest Rates**

Investors may select an interest rate from among those offered by Homewise. Interest rates for the Note currently range from 1% to 4%. Once a Note is issued with the selected rate, the interest rate will not change prior to maturity. However, Homewise may change the rates offered for selection at any time. Should commercial rates rise relative to the rates established in this offering, Homewise is not legally obligated to redeem the principal or make a partial redemption of a Note prior to its maturity. If commercial rates fall relative to those established in this offering, Homewise may call and redeem some or all of the Notes prior to maturity, and investors may be unable to reinvest at higher interest rates. Interest rates offered for the Notes may not be as high as those offered by other institutions for similar securities. Furthermore, risks of investment in the Notes may be greater than implied by the relatively low interest rates on the Notes. To further Homewise's nonprofit mission and community development objectives, Homewise offers the Notes at relatively low interest rates and upon other terms generally favorable to Homewise. Accordingly, you should consider the Notes to offer a low rate of return and generally less favorable terms when compared to other investments of comparable risk.

**Risks Associated with Environmental Contamination**

We do not typically conduct an environmental audit before approving a loan. If environmental pollution or other contamination is found on or near property owned by Homewise or securing a loan, our security for the loan could be impaired, or in some cases, we could face environmental liability. 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 us.

Additionally, if environmental contamination were discovered on land owned or sold by Homewise, governmental authorities could require a clean-up of the site, and Homewise could be required to pay all or a part of such clean-up costs, which could be substantial. Homewise has no reason to believe that any land owned by it has environmental problems of a material nature. However, there can be no assurances that all of its land is free of liability for environmental concerns.

**No Early Redemption at the Request of an Investor**

The interest rates on the Notes are lower than commercial rates and may be lower than the rates offered by banks and other financial institutions for federally guaranteed debt instruments. If commercial rates rise, there is no provision that would allow Investors to seek early repayment of their Notes in order to re-invest the proceeds in investments having a higher return. This risk is heightened, especially for longer term Notes, because there is no trading market for the Notes. Interest rates offered for the Notes also may not be as high as those offered by other charitable organizations for similar securities. Furthermore, the risks of investment in the Notes may be greater than implied by the relatively low interest rates on the Notes

**Key Personnel**

Homewise's operations will be dependent upon the services and skills of senior management personnel, who are expected to continue to devote their time to its activities. If Homewise loses the services of these key personnel, it could have a negative impact on Homewise's business because of their skills, years of industry experience and the difficulty of promptly finding qualified replacement personnel. The services of Michael Loftin, Homewise's Chief Executive Officer, Laura Altomare, Homewise's Chief Communications Officer, Mark Vanderlinden, Homewise's Chief Lending Officer, and David Brasier, Homewise's Director of Finance, would be particularly difficult to replace. If any of these executives becomes unable to execute his or her responsibilities, or if Homewise is unable to attract and retain skilled management personnel, its business, results of operations, and ability to repay the Notes could be adversely affected.

**Uninsured Deposits**

At March 31, 2018, Homewise held deposits with multiple banks that individually exceeded the Federal Deposit Insurance Coverage (FDIC) limit of $250,000. Management has taken action to mitigate the credit risk of the remaining uninsured and uncollateralized balance of $10,917,274 by depositing with well-known and reputable institutions.

**Public and Secondary Markets**

The nature of this offering does not afford the opportunity of a public or secondary market. Consequently, the purchase of a Note should be viewed as an investment to be held to maturity.

**Difficulty of Achieving and/or Measuring Results**

While Homewise prides itself on achieving tangible, lasting results in creating affordable and sustainable housing, all activities, including those funded by the proceeds of this offering, are by nature difficult to achieve and often may not be measurable for years after implementation. There is no guarantee of success or outcome, despite the best efforts of Homewise staff and partners working on such projects or activities. You should consider the social investment that the purchase of a Note represents and the potential benefits to the community of the loans funded in part from the proceeds of the Notes. The value to each investor of this community benefit is a subjective matter dependent upon your own personal evaluation of the benefits of the activities carried out by Homewise and our impact on the community as a whole. There can be no assurance that the intended community benefits of particular projects we finance will be achieved.

**Change in Operations, Non-Profit, or Tax Exempt Status**

Federal and New Mexico state authorities have determined that we are exempt from federal and state income taxation on the basis of our charitable purpose. This determination rests upon a number of conditions and assumptions that must continue to be met on an ongoing basis. If we fail to comply with any of these conditions or assumptions, we could lose our non-profit, tax exempt status and be subjected to federal and/or state income taxation. In addition, we are not obligated to continue our current operations or existence as a non-profit entity. If we became subject to federal or state income taxation, this could negatively impact our financial viability and cash flow, and our ability to sell Notes pursuant to exemptions for non-profit charitable organizations, all of which could ultimately negatively impact our ability to meet our obligations under the Notes.

**No Minimum Offering**

The sale of the Note is not subject to a minimum offering amount. A low sales volume will not necessarily prompt a cancellation of this offering or an early redemption of any outstanding Notes. Because there is no minimum amount of the offering, the estimated proceeds of the offering cannot be determined.

**Bankruptcy**

The Notes are subject to bankruptcy, insolvency, moratorium, reorganization and other state and federal laws affecting the enforcement of creditors' rights. Bankruptcy proceedings by Homewise could have adverse effects on Noteholders that might eliminate, reduce, or delay payments on the Notes.

**Competition for Contributions**

Homewise competes for the contributions of donors against other housing organizations and other non-profit entities dedicated to a variety of charitable, social, educational, or religious purposes. Competitors range in size from international organizations to small community-based projects. Other organizations may be more effective in soliciting donations, obtaining grants, and raising capital. Homewise's ability to repay the Notes could be adversely affected if it is unable to successfully compete for charitable contributions and other sources of revenue.

**Lending Criteria and Risks of Loan Default**

Our lending criteria used in determining whether a loan should be made may be more lenient than the criteria used by banks and other commercial lenders. We are a nonprofit organization. Most of our loans are made to finance home ownership by low- and moderate-income households. In many cases, our borrowers would not have been able to obtain an equivalent amount of financing or equivalent terms from a bank or other conventional lender. Additionally, in view of the relationship we have with our borrowers, we have been willing, in certain instances in the past, to accommodate late payments to an extent greater than a commercial lender may be willing to do. We may continue to do this in the future. Historically, delinquency rates have been lower than the average delinquency rates on loans by other lenders. See “Additional Information about Homewise - Due Diligence and Underwriting Standards” section in this prospectus. Nevertheless, for the reasons above, repayment of our loans generally has greater risk of loss than traditional loan financing by conventional financial institutions.

**Real Estate Development Operations**

Homewise develops and builds homes for sale to its customers. Whenever we build a home, we risk not being able to sell it, which would significantly impact our overall operating margin and burden us with carrying costs on the significant amount of land that we own. We mitigate this risk for the vast majority of homes we build, by waiting to start construction until we have a purchase contract in place. Nevertheless, a risk still exists that buyers may cancel their contracts after construction has begun. We cannot guarantee that we will be able to sell these homes with a sufficient profit margin, and we cannot guarantee that we will be able to secure loans for construction financing. The occurrence of any of these events could have an adverse effect upon us and our ability to repay the Notes when due.

**Potential Inadequacy of Foreclosure as a Remedy**

If a borrower defaults on a loan, it has been our practice not to foreclose immediately on the loan, but instead to work with the borrower to try to resolve the borrower’s difficulties. In some circumstances, this may involve restructuring or refinancing the loan. In other circumstances, we may take a deed to the property in lieu of foreclosure. We generally maintain our legal right to foreclose at any time during the workout or restructuring process. If we make a loan that defaults, there can be no assurance that the value of the real property that secures the loan will be adequate to fully repay the loan. If a default occurs, there may be substantial periods of time during which we will receive no payments in satisfaction of the loan. These events could affect our ability to make payments on our Notes.

**Geographic Concentration of Loans**

Homewise extends loans to low and moderate income residents of New Mexico. Although loans are collateralized by the borrowers’ property, a risk exists that property values may fall below the loan values creating a concentration of credit risk. The majority of our loans are to borrowers in the Santa Fe, and Albuquerque New Mexico areas, which are currently experiencing a moderately growing economy. Adverse economic conditions, reduction in population and the loss of purchasing power by residents in the Santa Fe or Albuquerque areas could adversely affect the ability of our borrowers to repay their loans. If real estate values decline in the Santa Fe or Albuquerque areas due to the above factors, wildfires, earthquakes, floods, droughts, other acts of nature, acts of terrorism, or any other reason, the decline could adversely affect the value of the properties serving as collateral for our loans. Due to the geographic concentration of our loans in the Santa Fe and Albuquerque areas, adverse economic and other conditions generally affecting Santa Fe and Albuquerque area residents and businesses could have an adverse effect upon us and our ability to repay the Notes when due.

**Limitations on Foreclosure of Collateral**

Our remedies as a creditor upon default by any of our borrowers are subject to limitations and borrower protections imposed under various laws, regulations and legal principles that provide protections to borrowers. Our legal and contractual remedies, including those specified in our promissory notes and mortgages typically require judicial actions, which are often subject to discretion and delay. Under existing law (including, without limitation, the Federal Bankruptcy Code), the remedies specified by our promissory notes and mortgages may not be readily available or may be limited. A court may refuse to order the specific performance of the covenants contained in the promissory notes and mortgages. In addition, the laws of a particular jurisdiction may change or make it impractical or impossible to enforce specific covenants in the loan agreements.

**Impairment of Collateral**

The various security interests established under our mortgages and deeds of trust may be subject to other claims and interests. Examples of these claims and interests are rights arising from mortgages that are senior to Homewise's mortgages; statutory liens; rights arising in favor of the United States, or any agency thereof; constructive trusts or equitable liens otherwise imposed or conferred by any state or federal court or court of competent jurisdiction in any foreign country, including the exercise of its equitable jurisdiction; and federal bankruptcy laws or bankruptcy laws of another jurisdiction affecting amounts earned by the borrower after institution of bankruptcy proceedings by or against the borrower.

**No Right to Participate in Management of Homewise**

Control of Homewise is exercised by our Board of Directors. The purchase of a Note does not entitle you to participate in our management.

**Interest Rate Changes**

Interest rate changes may negatively affect our profitability. Our loans receivable have an average term to maturity that is significantly longer than the average maturity term of our indebtedness, including the Notes. As a result, if interest rates vary in the future, the average interest rate we pay on Notes and other indebtedness could increase more quickly than the average interest rate we receive on loans. Homewise mitigates this risk by seeking to maintain a strong net asset position that will enable us to lend in a rising interest rate environment. Nevertheless, there may be periods of time when we are unable to obtain an average return on our investments and loans that is greater than our average interest payment obligations. This could have an adverse impact on our ability to repay our Notes when due.

**Additional Notes to be Sold**

We expect to sell additional Notes in this and other offerings. The total amount of $5,000,000 to be sold in this offering is not a limitation on the amount of Notes or other debt securities we may sell in other offerings we may conduct. We have sold our Notes in other offerings in prior years and anticipate that we will continue to sell additional Notes or other debt securities as part of a continuous offering process.

**Homewise's Right to Redeem**

We have the right to redeem any or all Notes at any time without advance notice, and without your consent. Interest will be paid to the date of redemption.

**Right to Change Policies**

We reserve the right to change our policies. At various points in this prospectus, we describe our policies, such as our loan policies and our investment policies. These descriptions are intended to help you understand our current operations. We reserve the right to change our policies and procedures generally, including our loan and investment policies.

**Litigation**

*Homewise*

Homewise is involved in litigation in the ordinary course of its business. Litigation can be time consuming and costly, and there can be no assurance that Homewise will not become involved in litigation that could have a material adverse effect on its business or its ability to repay the Notes when due or at all.

*Ms. Cook*

Ms. Jill Cook served as the Chief Operating Officer of Homewise from January 2013 to October 26, 2015. Prior to 2013, Ms. Cook served as the Chief Credit Officer at Los Alamos National Bank (LANB). LANB experienced financial difficulties during the economic downturn that resulted in investigations of its practices by the Office of the Comptroller of the Currency (OCC) and the U.S. Securities and Exchange Commission (SEC). On September 28, 2015, the SEC filed a complaint in federal court against Ms. Cook and other former senior employees of LANB. Shortly thereafter, Homewise reassigned Ms. Cook from her position of COO to Manager of Human Resources. In this role, she does not have executive level authority for Homewise or authority to legally obligate Homewise, including on checks, contracts, or other legal documents. Homewise also retained outside legal counsel to review the activities of Ms. Cook in her role as Homewise COO, which resulted in a report dated December 10, 2015 concluding that no evidence had been found that Ms. Cook engaged in any misconduct while employed at Homewise.

Without admitting or denying the SEC's allegations, Ms. Cook consented to the entry of a final judgment by the SEC which, among other things, required Ms. Cook to pay a $100,000 civil penalty and barred Ms. Cook from serving as an officer or director of a public company for five years. Without admitting or denying any wrongdoing, Ms. Cook also consented to the entry of a consent order by the OCC which, among other things, required Ms. Cook to pay a $7,500 civil penalty, prohibited her from participating in the conduct of affairs of certain regulated financial institutions, and contained findings that Ms. Cook violated laws, engaged in unsafe and unsound practices, breached her fiduciary duty, engaged in conduct involving personal dishonesty, and engaged in conduct demonstrating willful and continuing disregard for the safety and soundness of the bank.

The SEC's final judgment was entered in March 2016 and the OCC's consent order was entered in October 2016. Both the SEC's final judgment and the OCC's consent order pertain only to Ms. Cook's role with her former employer and do not pertain to her work at Homewise.

### Other Risks

The paragraphs above discuss certain Noteholders' risks, but are not intended to be a complete enumeration of all risks associated with the purchase or holding of the Notes. Unforeseen circumstances affecting the operations of Homewise may affect revenues and payments of principal of and interest on the Notes.

### Important Information Regarding Forward-Looking Statements

If and when included in this prospectus, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates" and analogous expressions are intended to identify forward-looking statements and any such statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, among others, general economic and business conditions, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of Homewise. These forward-looking statements speak only as of the date of this prospectus. Homewise disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in Homewise's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

## About Homewise

Homewise, Inc. is a 501(c)(3) not-for-profit corporation created to secure affordable housing in New Mexico. Homewise's mission is to help create successful homeowners so that they improve their financial wellbeing and contribute to the vitality of our communities. Homewise provides financial counseling, property development, government program administration, fixed-rate mortgages, home improvement loans, refinance loans and real estate sales.

Homewise's principal businesses are:

- Providing financial literacy classes, homebuyer education classes, and individual financial counseling;

- Assisting homebuyers to locate and purchase a suitable, affordable home;

- Lending money to low- and moderate-income households to purchase, improve or repair their homes; and

- Developing, constructing and selling affordable, environmentally sustainable homes.

Homewise provides free financial literacy and homebuyer education classes, individual financial counseling towards the goal of home purchase, fixed rate mortgages and home improvement and refinance loans, real estate services, and building homes engineered for energy efficiency to save on long term costs.

Homewise is a chartered member of NeighborWorks® America, a national network of community-based organizations, and a member of the Opportunity Finance Network, a national network of private financial intermediaries with a proven expertise in lending. Homewise is certified as a Community Development Financial Institution[1] by the U.S Department of Treasury's Community Development Financial Institution Fund.

Homewise has a wholly-owned for-profit subsidiary, Homewise Mortgage, LLC. Homewise Mortgage, a New Mexico limited liability company, was formed on March 25, 2011, under the New Mexico Limited Liability Company Act. This subsidiary is currently dormant and Homewise has no plans to activate it in the near future. Homewise Mortgage will exist for a perpetual period of time unless dissolved by Homewise, Inc.

Homewise is rated by Aeris™ (formerly CARS). Aeris™ is a comprehensive, third-party analysis of community development finance institutions that aids investors and donors to make informed investment decisions. As of March 2017, the Homewise Aeris Impact Performance rating was deemed stable at "4 stars" (the highest rating) indicating a clear alignment of mission, strategies, activities and data that guides programs and planning. The Homewise Aeris rating for Financial Strength and Performance also was determined to be stable as of March 2017, is a "AA-" (the fourth highest rating) indicating that Homewise exhibits very strong financial strength, performance and risk management practices relative to our size, complexity and risk profile. Further information on the Homewise Aeris rating may be obtained from www.aerisinsight.com.

The ultimate goal of every service Homewise provides is to further the long-term financial success of the customer. Each service is designed to bolster other services, thereby maximizing the benefits and achieving the ultimate goal of financial security for the customer and the community. Because

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[1] A Community Development Financial Institution ("CDFI") is a non-governmental entity whose primary mission is community development and whose purpose is to provide credit, financial, and other services to underserved markets or populations. The certification of Homewise by the Treasury Department as a "CDFI" qualifies it to receive certain grants, loans, and support.

the goal is long-term, *how* a person buys a home is just as important as *whether* he or she buys a home. If achieved the wrong way, homeownership can actually put a homeowner on a downward spiral that results in financial insecurity or even foreclosure. But achieved the right way, homeownership starts owners on an upward spiral that enables them to continually improve their financial situation and provides them with long-term security.

Since inception, Homewise has helped more than 4,000 people purchase homes by providing financial counseling, down payment and closing cost assistance, and below-market loans. Homewise has also helped more than 2,200 people maintain or upgrade their homes and reduce operating costs by providing financial assistance for home improvements and repairs, particularly in the area of energy and water conservation. Since the refinancing program began in 2009, Homewise has also refinanced over 600 mortgage loans. In addition, more than 15,000 people have completed the Homewise Financial Fitness and/or Home Buyer Education counseling programs, which teach prospective home buyers how to establish financial goals, prepare and follow a budget, pay down debt and build savings. Homewise has also developed more than 700 energy and water efficient homes in the Santa Fe area.

**Targeted Programs and Investments**

Homewise offers an umbrella of products and services in our mission to help create successful homeowners so that they improve their financial wellbeing and contribute to the vitality of our communities. Under that umbrella, Homewise offers the following targeted programs aimed to serve specific underserved populations:

The New American Lending Program

Many of those in the immigrant population do not have a Social Security number and most have limited credit history. With most banks and mortgage lenders, this often disqualifies them from obtaining an affordable mortgage loan. Often the only creditors who will lend to these borrowers are those with portfolio products offering high interest rates and unfavorable terms. Without access to affordable financing, homeownership remains an out-of-reach dream. In partnership with a mission-focused credit union, Homewise offers a special New American Lending Program for clients with an ITIN (Individual Tax Identification number) instead of a Social Security number, helping to break down barriers to homeownership for this underserved population.

Energy-efficiency and Solar Lending Programs

Homewise provides special lending programs that help make energy-efficient home improvements feasible for low- and moderate-income homeowners who historically have not had adequate access to credit, capital, and financial services. These loans are focused on energy and water saving improvements and repairs to address the rising cost of energy and the conservation of natural resources in our community. Additionally, Homewise offers loan programs to help make solar energy affordable and accessible to low- and moderate-income homeowners. Homewise finances the up-front costs of converting to solar electricity including system purchase and installation with fixed-rate, long-term financing. The program is designed to remove barriers that exist in the current marketplace that prevent many homeowners from reducing their use of non-renewable energy sources by converting to solar. These existing barriers are especially burdensome for low- and moderate-income homeowners who lack the liquid savings to pay the upfront equipment and installation costs associated with converting to solar energy.

At our discretion, we may allow investors to request that their investment be used to support either the New Immigrant Lending Program or the Energy-efficiency and Solar Lending Programs by indicating their preference on the Subscription Agreement form. Investors may also elect their investment to be used for Homewise's general purposes in support of its mission to promote and support successful homeownership in New Mexico. Our acceptance of investments that are targeted in this way represents our commitment to use reasonable efforts to make or maintain loans or other investments within the specified target area or in support of the specified target cause in amounts equal to or greater than the amount of the outstanding Notes targeted to that area or cause from time to time. However, investors indicating their desire to support these targeted programs should understand that, due to variability in the availability and timing of appropriate projects and loans, and differences between the terms to maturity of loans and targeted Notes, there may be variations from time to time between the amount of outstanding Notes targeted to a specific area or cause and loans outstanding to that area or cause, and we do not track specific Notes to specific loans. We reserve the right to untarget funds from time to time at our discretion.

The following is a summary of Homewise's financial position, revenues and expenses as of the end of each of the past three fiscal years, as derived from the audited financial statements. They are not the same as our audited financial statements. Investors should carefully read the complete audited financial statements and independent auditor's report to gain a full understanding of our financial condition.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

**March 31, 2018, 2017, and 2016**

| **ASSETS** | **2018** | **2017** | **2016** |
|---|---|---|---|
| Current assets | | | |
| Cash and cash equivalents | **$ 13,132,227** | 7,953,687 | 5,953,592 |
| Broker and other accounts receivable | **2,038,579** | 1,834,714 | 567,936 |
| Grants receivable | **6,500** | 71,236 | 72,000 |
| Amortizing mortgage loans receivable, current portion | **1,412,675** | 1,371,930 | 1,301,797 |
| Inventory | **30,995** | 71,618 | 39,900 |
| Development costs, current portion | **4,990,419** | 7,507,709 | 4,992,717 |
| **Total current assets** | **21,611,395** | 18,810,894 | 12,928,032 |
| Property and equipment, net | **4,147,519** | 2,666,780 | 2,451,053 |
| Mortgage loans receivable | | | |
| Amortizing, net of current portion | **55,772,559** | 52,938,664 | 50,924,312 |
| Allowance on amortizing loans | **(1,370,928)** | (1,181,722) | (1,102,111) |
| **Total amortizing** | **54,401,631** | 51,756,942 | 49,822,201 |
| Deferred mortgage loans receivable | **22,999,350** | 18,741,083 | 18,117,919 |
| Allowance on deferred loans | **(4,600,000)** | (3,749,000) | (3,623,584) |
| **Total deferred** | **18,399,350** | 14,992,083 | 14,494,335 |
| **Total mortgage loans receivable** | **72,800,981** | 66,749,025 | 64,316,536 |
| Other real estate owned | **171,040** | 870,789 | 367,611 |
| Real estate held for investment - rehab properties | **402,355** | 79,511 | 0 |
| Mortgage servicing rights | **2,251,615** | 1,860,750 | 1,465,399 |
| Development costs, net of current portion | **8,271,356** | 7,391,882 | 9,463,512 |
| Qualified low income community Investment | **3,795,897** | 0 | 0 |
| Infrastructure deposits | **0** | 0 | 27,920 |
| Other assets | **429,269** | 277,835 | 263,966 |
| **Total assets** | **$ 113,881,427** | 98,707,466 | 91,284,029 |

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
## (CONTINUED)
## March 31, 2018, 2017, and 2016

| **LIABILITIES AND NET ASSETS** | **2018** | **2017** | **2016** |
|---|---|---|---|
| Current liabilities | | | |
| Accounts payable | **$ 1,419,599** | 2,368,608 | 2,914,142 |
| Accrued expenses | **650,536** | 511,584 | 276,610 |
| Escrows and deposits | **2,327,972** | 1,908,331 | 1,524,757 |
| Lines of credit | **2,888,050** | 2,245,276 | 3,682,558 |
| Notes payable, current portion | **5,964,694** | 3,235,429 | 4,324,891 |
| Notes payable, community investment, current portion | **1,228,741** | 711,149 | 69,138 |
| Security deposits | **7,977** | 0 | 0 |
| **Total current liabilities** | **14,487,569** | 10,980,377 | 12,792,096 |
| Long-term liabilities | | | |
| Lines of credit, net of current portion | **298,605** | 0 | 0 |
| Notes payable, long-term, net of current portion and unamortized discount | **41,854,104** | 37,518,253 | 35,681,574 |
| Notes payable, equity equivalent investment, net of unamortized discount | **1,893,301** | 913,014 | 900,514 |
| Notes payable, community investment, net of current portion and unamortized discount | **2,300,512** | 2,047,926 | 1,798,383 |
| Deferred grants revenue | **4,300,656** | 4,198,602 | 85,668 |
| Due to grantor agency | **962,907** | 992,502 | 1,031,281 |
| **Total long-term liabilities** | **51,610,085** | 45,670,297 | 39,497,420 |
| **Total liabilities** | **66,097,654** | 56,650,674 | 52,289,516 |
| Net assets | | | |
| Unrestricted | **35,329,933** | 31,181,230 | 27,662,413 |
| Temporarily restricted | **10,619,090** | 8,356,471 | 8,273,975 |
| Permanently restricted | **1,834,750** | 2,519,091 | 3,058,125 |
| **Total net assets** | **47,783,773** | 42,056,792 | 38,994,513 |
| **Total liabilities and net assets** | **$ 113,881,427** | 98,707,466 | 91,284,029 |

## Summary of Revenue and Expenses

For the Years Ended March 31, 2018 through 2016

| | **2018** | 2017 | 2016 |
|---|---|---|---|
| **Support and Revenue** | | | |
| Home Development sales | **$ 19,497,906** | 16,585,578 | 14,576,023 |
| Loan Origination Fees | **2,594,880** | 2,033,490 | 1,548,669 |
| Real Estate Sales Commissions | **1,918,519** | 1,548,429 | 1,245,173 |
| Loan Portfolio Interest | **3,251,373** | 3,048,705 | 2,757,761 |
| Loan Servicing Income | **699,243** | 558,251 | 466,841 |
| Amortization and value of mortgage servicing rights | **740,821** | 647,734 | 465,345 |
| Government grants | **1,169,839** | 2,387,816 | 1,073,745 |
| Contributions and Grants | **3,401,067** | 362,048 | 666,018 |
| Bank Interest | **1,954** | 1,667 | 2,609 |
| Gain on sale of asset | **215,341** | 40,846 | 0 |
| Other Revenue | **1,195,976** | 430,225 | 242,993 |
| **Total Revenues** | **34,686,919** | 27,644,789 | $23,045,177 |
| | | | |
| **Expenses:** | | | |
| Cost of Home Development Sales | **16,452,167** | 14,532,502 | 12,830,846 |
| Program | **9,719,742** | 7,841,840 | 7,175,504 |
| Administrative | **2,238,717** | 1,753,150 | 1,729,868 |
| Fundraising | **549,312** | 455,018 | 349,207 |
| **Total Expenses** | **28,959,938** | 24,582,510 | 22,085,425 |
| | | | |
| Change in net assets | **5,726,981** | 3,062,279 | 959,752 |
| Net Assets at beginning of year | **42,056,792** | 38,994,513 | 38,034,761 |
| **Net Assets at end of year** | **$ 47,783,773** | 42,056,792 | 38,994,513 |

## Overview of the Community Investment Note

*This section provides detail on the legal and financial terms of the Notes. Before deciding to purchase any Notes, investors should read the more detailed information appearing elsewhere in this document, including the Subscription Agreement Form in Appendix B and form of Note set forth in Appendix C.*

The Community Investment Note is a promissory note issued by Homewise that helps promote successful homeownership in New Mexico. The Notes allow investors to obtain a financial return while their invested dollars make positive social, economic, and environmental impacts in New Mexico communities.  The Notes pay an interest rate of between 1% and 4% and can be purchased with terms of 1 to 15 years, as set forth below.

| Series | Maturity | Interest Rate |
|---|---|---|
| A | 1 Year | 1.00% |
| B | 2 Years | 1.25% |
| C | 3 Years | 1.50% |
| D | 4 Years | 1.75% |
| E | 5 Years | 2.00% |
| F | 6-7 Years | 2.50% |
| G | 8-9 Years | 3.00% |
| H | 10-12 Years | 3.50% |
| I | 13-15 Years | 4.00% |

## Use of Proceeds

The Note proceeds will be used for Homewise's general corporate purposes, including the promotion of its mission to promote successful homeownership in New Mexico. Homewise intends to use the proceeds from the Community Investment Notes to develop new residential property, issue fixed-rate mortgages, and issue home improvement loans.

## Seniority; Security

The Notes are unsecured general obligations of Homewise. Homewise has other outstanding obligations, including unsecured general obligations and secured obligations. Moreover, Homewise is not restricted from incurring additional indebtedness. Such additional indebtedness, if issued, may be either secured or unsecured and may be entitled to payment prior to payment on the Notes. The Notes are not guaranteed or backed by a letter of credit.

## Who Can Invest

The Notes are offered to both individual and institutional investors who reside in states in which our Notes are registered or exempt from registration.

## Minimum Investment

The minimum investment for the Notes is $1,000, with minimum additional increments of $100.

## Distribution

Homewise, as the issuer of the Notes, is offering the Notes directly. Homewise is either registered to sell the Notes or is exempt from registration in those states where the Notes are offered for sale. Certain Homewise employees and affiliated persons are authorized to disseminate information about Homewise and about the Notes.

We are offering Notes in the principal amount of up to $5 million pursuant to this prospectus, which are expected to be offered on a continuous basis without an expected termination date. No underwriting agreement exists for the offer and sale of the Notes and no commissions are paid for the sale of the Notes. As a result, we receive 100% of the proceeds from this offering. No minimum amount of the overall offering of $5 million must be sold in order for us to accept investments.

## How to Invest

After reading this Prospectus and accompanying materials carefully, an investor should complete the Subscription Agreement form and mail, email or deliver it with a check or wire transfer of funds to:

Homewise, Inc.
Homewise Community Investment Fund
1301 Siler Road, Building D
Santa Fe, NM 87507

All purchases must be made in US dollars and may be made by check or wire transfer. All checks must be drawn on US banks. We reserve the right to suspend the sale of our Community Investment Notes for a period of time, discontinue the offering, or reject any specific subscription.

We will send the Investor a confirmation of the investment and a Note when we receive the signed Subscription Agreement form and the payment has cleared the bank. All instructions for transactions and changes of address must be transmitted to Homewise in writing. Address changes and assignments may require a signature guarantee from a bank or other eligible institution. Investors may verify a transaction or change of address by calling Homewise at 800-429-5499 or 505-983-WISE (9473) and asking for the Finance Department.

## Settlement Method

Transactions of Notes are settled with Homewise acting as registrar and paying agent.

## Interest Payments

The Notes are interest-only until maturity. A Noteholder will be paid simple interest only, on the last day of June and December of each year, until the maturity date of the Note, unless the Noteholder elects to have their interest reinvested automatically by checking the appropriate box on the Subscription Agreement.

Interest will accrue from the date of issue, which will be the later of the date that funds are received by Homewise and the date the Investor's subscription is accepted, on the basis of a 360-day year of twelve 30-day months. Unless the Investor has elected to reinvest principal upon maturity (and such reinvestment option is available), all principal will be repaid on the maturity date together with all accrued but unpaid interest.

Interest rates range from 1% to 4%, based on the term of the Note. The interest rate increases as the term of the Note increases. Homewise reserves the right to increase or decrease the interest rate of Notes being sold in this offering at any time by issuing a Pricing Supplement to this Prospectus, but no such changes will be retroactive for Notes that have already been issued.

If an Investor wishes to put more Homewise dollars to work in the community or keep his or her investment dollars working longer, he or she may agree to:

- accept a lower rate of interest
- waive interest entirely
- reinvest the Note principal upon maturity (subject to certain conditions)
- reinvest the interest paid on the Notes (subject to certain conditions)
- include forgiveness of the Note in his or her estate plan.

**Options at Maturity**

If permitted by a Noteholder's state of residency, Notes can be automatically renewed at maturity. If the Investor does not check the "Automatic Renewal" box in the Subscription Agreement form, we will notify the Investor approximately 60 days prior to the maturity date of the Note that he or she may renew the investment, and the interest rate that will apply upon such renewal. If the Investor does not reply within 30 days before the maturity date, we will redeem the Note for the face amount of the Note plus all accrued but unpaid interest.

If the Investor checks the "Automatic Renewal" box in the Subscription Agreement form, on the maturity date, we will pay the Investor all accrued but unpaid interest to the maturity date and, unless otherwise instructed by the Investor in writing, we will apply the principal of the maturing Note to the purchase of a new Note of a Series having a term to maturity comparable to the term of the maturing Note.

The new Note will be issued at the prevailing rate of interest then being offered for Homewise Community Investment Notes of the same maturity, which may be higher or lower than the interest rate on the maturing Note. We will notify the Investor of the new rate at least 60 days prior to the automatic rollover. Even if the Investor checks the "Automatic Renewal" box, the Investor may change his mind by notifying us, in writing, at least 30 days prior to the maturity date of the Note that the Investor wishes to have the Note redeemed rather than renewed.

*To illustrate, if the Investor purchases a Note with a five-year term, and if the Investor checks the Automatic Renewal box in the Subscription Agreement, upon maturity of the Note, Homewise will pay the Investor all accrued but unpaid interest and then apply all of the principal to the purchase* *of a new Note having a five-year term at the interest rate that is being offered by Homewise for five-year Homewise Community Investment Notes on the date of the renewal.*

See “State Specific Information” beginning on page iii for information regarding states where automatic reinvestment is not available.

**Tax Aspects**

This discussion of federal income tax consequences was written to support the promotion or marketing of the Notes and is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding tax penalties. You are advised to consult your own tax counsel or advisor to determine the particular federal, state, local or foreign income or other tax consequences particular to your investment in our Notes.

By purchasing a Note, you may be subject to certain income tax provisions of the Code. Some of the significant federal income tax consequences of purchasing a Note include the following:

- Although we are a 501(c)(3) organization, you will not be entitled to a charitable deduction for the Note you purchase.
- Unless you hold your Note through an IRA or other tax deferred account, any interest on your Note will be taxed as ordinary income in the year it is paid.
- Notes purchased in an IRA or other tax deferred account will be subject to the tax rules applicable to the account, and consultation with a competent financial and tax adviser is recommended.
- Unless you hold your Note through an IRA or other tax deferred account, we will provide you with a Federal Income Tax Form 1099-INT or the comparable form by the date mandated by the IRS of each year indicating the interest paid on your Note(s) during the previous year
- You will not be taxed on the return of any principal amount of your Note or on the payment of interest that was previously taxed.
- Payments of principal and interest may be subject to “backup withholding” of federal income tax (currently at the rate of 28%) if you fail to furnish us with a correct social security number or other tax identification number, or if you or the IRS have informed us you are subject to backup withholding.

In addition, if you (or you and your spouse together) have invested or loaned more than $250,000 in the aggregate with or to us and other charitable organizations that control, are controlled by or under common control with us, you may be deemed to receive additional taxable interest under Section 7872 of the Code if the interest paid to you is below the applicable federal rate. In that situation, the Internal Revenue Service may impute income up to that applicable federal rate. If you believe this applies to you, you should consult your tax advisor.

If the law creating the tax consequences described in this summary changes, this summary could become inaccurate. This summary is based on the Code, the regulations promulgated under the Code and administrative interpretations and court decisions existing as of the date of this prospectus. These authorities could be changed either prospectively or retroactively by future legislation, regulations, administrative interpretations, or court decisions. Accordingly, this summary may not accurately reflect the tax consequences of an investment in our Notes after the date of this prospectus.

Finally, this summary does not address every aspect of tax law that may be significant to your particular circumstances. For instance, it does not address special rules that may apply if you are a financial institution or tax-exempt organization, or if you are not a citizen or resident of the United States. Nor does it address any aspect of state or local tax law that may apply to you.

**Early Redemption by Homewise at its Option**

Homewise may, at its election and in its sole discretion, call and redeem any or all of the Notes in whole or in part at any time prior to maturity at a price of the principal amount being redeemed plus any accrued and unpaid interest. There is no penalty for any redemption by Homewise at its option.

**Early Redemption at the Request of an Investor**

The Notes are not redeemable at the option or request of an investor. Because we will use the proceeds from the sale of our Notes to fund loans and build affordable housing, we need to be able to budget the repayment of the Notes according to a fixed schedule of repayments. Consequently, partial withdrawals and early redemptions are not allowed. However, where automatic renewal is allowed by state law, an Investor may "Opt Out" of an automatic renewal at any time until 30 days prior to the renewal date or an automatic reinvestment of interest at any time until 30 days prior to the interest payment date.

**Financial Reporting**

Our audited financial statements for the years ended March 31, 2018 and 2017, and the related notes thereto, attached as Appendix A to this prospectus, have been audited by Ricci & Company, Certified Public Accountants and Business Advisors. Homewise's current audited financial statements will be made available to investors upon written request. We will also provide our "Annual Report to Investors," which includes highlights of our most recently audited financial statements. In addition, we will send Investors regular investment reports, at least semi-annually.

**Certificated Securities**

Investors will receive a certificate evidencing their Notes. Homewise reserves the right to issue Notes in uncertificated form.

### Transferability

The Notes are freely transferable. Investors are cautioned that any such transfer must be done in compliance with applicable federal and state securities laws. In particular, the Notes may not be transferred or resold except as permitted under the Securities Act, the Securities Exchange Act, and applicable state securities laws, or pursuant to registration or exemption therefrom.

### Secondary Market

The nature of this program does not currently afford the opportunity of a secondary market. Consequently, the Note should be viewed as an investment to be held to maturity.

### Retirement Accounts

A self-directed IRA can invest in the Notes if the IRA is held by a custodian that permits such investments. (A self-directed IRA is an individual retirement account created to allow the IRA holder the option of selecting, either directly or through an investment advisor or other financial representative, investments for the IRA.) You should consider whether the Notes are in accordance with the documents and instruments governing your IRA or whether the investment in the Notes could constitute a non-exempted prohibited transaction under applicable law. You should also consider whether there is sufficient liquidity in your IRA after investing in the Notes should you or your beneficiary need to take a mandatory distribution. Notes purchased in an IRA or other tax deferred account will be subject to the tax rules applicable to the account, and consultation with a competent financial and tax adviser is recommended.

### Internet

We have established a website that can be accessed at www.homewise.org. Except for the Prospectus, and Subscription Agreement that we may post on our website, the information available on the Internet, or that can be accessed through our website, is not part of the Offering Circular. The reference to this website does not incorporate the contents of the website into the Prospectus.

## Additional Information About Homewise

### Homewise Credit History

We have been engaged in our current business of generating loans since 1986 and have been developing and selling affordable housing since 1994. Many of the lending and development activities of Homewise have been financed by national foundations, government grants and local financial institutions. We have never defaulted nor been delinquent in the repayment of any funds that we have borrowed.

### Due Diligence and Underwriting Standards

We originate both home purchase and home improvement/repair loans and have established limits on the combined loan-to-value ratio, the total debt ratio of the borrower (the monthly payment of the new loan plus all existing debt payments compared to gross monthly household income), and the minimum credit score of the borrower. We augment our standards with financial and home ownership counseling and maintain regular contact with borrowers. As a result, delinquency rates on Homewise loans have historically been lower than the average delinquency rates on loans by other lenders. According to the National Delinquency Survey published by the Mortgage Bankers Association, as of the March 31, 2018 Survey, the delinquency rates over 30 days were as follows: Prime Loans 3.57%; VA Loans 3.80%, FHA Loans 8.12%, and 1.32% for Homewise. Please also see our discussion on delinquency rates below in the sections entitled, "Impaired and Delinquent Loans" and "Delinquent Loans."

**Only Fixed-rate Mortgages**

We have never originated the types of sub-prime and interest-only mortgage loans that have put many homeowners at risk (such as high-interest-rate loans, interest-only loans, stated- income loans, etc.). Our borrowers know what their monthly payments will be, and we do not encourage them to borrow more than they can afford to repay or purchase "more home" than they can afford. Credit and budget counseling is a pre-condition to every Homewise home purchase loan. We augment this financial counseling with advice on how the borrower can operate and maintain the home to insure that the asset maintains its value.

**Elimination of Unnecessary Borrowing Costs**

We do not seek to profit from the loans we make with additional fees and costs to the borrower. Rather, it is our mission to help clients achieve financial security through responsible home ownership and healthy savings and spending habits. Towards this end, we: (1) help our customers find the most affordable homes available; (2) help potential borrowers learn to budget properly and understand how much debt they can afford to incur; (3) help potential borrowers finance their homes as efficiently as possible by using down payment assistance programs, obtaining a fixed interest rate, working to avoid costly mortgage insurance and other unnecessary closing costs that can add significantly to the borrower's financial obligations; and (4) endeavor to restructure loans when borrowers face difficulties, such as job loss or medical crisis, rather than foreclosing quickly.

**Outstanding Debt**

As of March 31, 2018, Homewise had $56,428,007 in outstanding lines of credit, notes payable, equity equivalent investments, and community investment notes. Please see Note 7 to our Audited Financial Statements, which are included as an Appendix to this Prospectus, for details regarding our notes payable, including outstanding amounts, interest rates, and lenders.

**Financial Covenants**

Under the terms of our loan agreements with our lenders, we are required to satisfy the following ongoing financial requirements. Although these covenants are not included in the Homewise Community Investment Notes, the financial strength that results from maintaining our financial condition in compliance with these financial covenants benefits all of our creditors, including Investors in this Offering:

- Income - Maintain a positive change in unrestricted net assets over each two-year period. For any year in which the change in unrestricted net assets is negative, the difference may be no more than 10% of the unrestricted net assets at the beginning of the year;

- Capital Requirements – Maintain "net assets" in an amount equal to or exceeding 35% of the total assets. ("Net assets" are total assets less total liabilities). Maintain "unrestricted net assets" in an amount equal or exceeding 25% of the total assets;

- Liquidity – The sum of Homewise's cash and cash equivalents shall not be less than the greater of $2.5 million or six months of operating expenses (excluding the cost of home development sales);

- Debt Service Coverage – Maintain an annual debt service coverage ratio (net income plus depreciation, amortization and other similar non-cash expenses divided by debt service) of more than 1.2 to 1.0.

- Loan Loss Reserves – The loan loss allowance shall be calculated in accordance with Generally Accepted Accounting Principles (GAAP), but in no event shall the allowance for amortizing loans be less than 2% of the outstanding balance and in no event shall the allowance for deferred loans be less than 20% of the outstanding balance.

- Delinquencies – Total loans outstanding that are 30 days or more delinquent shall not exceed 3% of the total amortizing and deferred loans outstanding.

**Resale Market for Loans**

We sell the vast majority of the loans that we originate. The turmoil in recent years in the sub-prime lending and other credit markets did not affect our ability to sell loans into the secondary market since they are underwritten to standards that are acceptable to organizations such as Fannie Mae. However, we cannot make any guarantees regarding the future viability of the secondary market for home mortgage loans.

**Discussion and Analysis of Recent Financial Performance**

Total support and revenues for the fiscal year ended March 31, 2018 totaled $34.7 million, an increase of $7.1 million, or 26% versus the prior year. This increase was primarily due to higher home development sales which were $2.9 million higher than the prior year and increased grants and contributions of $1.8 million over the prior year. Loan origination fees increased $0.6 million in fiscal 2018 compared to the prior fiscal year.

Total expenses were $29.0 million, an increase of $4.4 million, or 18% compared to the prior year. This was driven in large part by an increase in the cost of program costs of $2.0 million, and with a slightly smaller increase in the cost of home development sales of $1.9 million .

Overall, Homewise's net assets at March 31, 2018 were $48 million, which was an increase of $6 million or 14% over net assets at March 31, 2017.

<u>Changes in Consolidated Financial Position</u>

For the fiscal year ended March 31, 2018, total assets increased by $15.2 million over the prior fiscal year to $113.9 million, which was due primarily to an increase in cash and cash equivalents of $5.2 million, or 65%, an increase in mortgage loans receivable of $2.7 million, or 5% over the prior fiscal year, and the initial recognition of a $3.8 million Qualified Low Income Community Investment ("QLICI").

The initial recognition of this QLICI represents Homewise's investment in a Leverage Lender for the purpose of taking advantage of the New Markets Tax Credit ("NMTC") program. NMTCs are tax credits created by the federal government in 2000 and renewed each year thereafter to help encourage sustained investment in low-income communities. The purpose is to provide investors with a financial incentive (a tax credit) to invest in projects being built in, or businesses operating in, low-income communities. Homewise's investment represents a 33.3% ownership stake. As part of the arrangement, Homewise secured a 20-year loan from a community development entity which received tax credit allocation. The loan is in the amount of $4.9 million, and is equal to the amount Homewise contributed to the Leverage Lender plus the Homewise's proportionate share of the tax credit investor's purchase price, minus fees and closing costs and compliance period expense reserves. The loan proceeds are to be used solely for the purpose of constructing and selling qualified housing properties to low income residents. The loan will bear interest at a rate of 0.69% per year. In connection with this arrangement, the members of the Leverage Lender have the option to buy back Homewise's ownership interest. Exercise of this option will effectively allow Homewise to extinguish its debt owed to the community development entity.

Total liabilities increased by $9.4 million to $66.1 million, driven primarily by increases in notes payable of $9.8 million. Homewise's unrestricted net assets increased $4.1 million or 13.3% over the prior year, and total net assets increased by $5.7 million or 13.6% over fiscal 2017.

<u>Mortgage Loans Receivable</u>

Homewise has originated amortizing mortgage loans bearing interest rates from 0% to 7.75% for periods of up to 30 years. The loans are secured by an interest in the subject property. We also originate deferred mortgage loans, which are loans that are due at an unknown future date. They include:

- Loans that are due on the sale, transfer, refinance, or vacating of the related home; and

- Forgivable loans that do not bear interest and are forgiven if the owner lives in the home for a specified period of time.

A summary of our mortgage loans receivable, including the current portion, is as follows:

| | 2018 | 2017 | 2016 |
|---|---|---|---|
| Amortizing | $57,185,234 | $54,310,595 | $52,226,109 |
| Allowance on Amortizing Loans | ($1,370,928) | ($1,181,722) | (1,102,111) |
| Deferred | 22,999,350 | 18,741,083 | 18,117,919 |
| Allowance on Deferred Loans | (4,600,000) | (3,749,000) | (3,623,584) |
| Total Mortgage Loans Receivable, net of allowance | 74,213,656 | 68,120,956 | 65,618,333 |

Deferred loans that are expected to be forgiven at the end of a fixed term totaled $480,568 and $463,068 at March 31, 2018 and 2017, respectively.

**Impaired and Delinquent Loans**

A loan is classified as delinquent if it is not timely paid based on the contractual terms of the loan agreement. Management considers a loan to be impaired when, based on current information and events, it is determined that we will not be able to collect all amounts due according to the original terms of the note.

The allowance for loan losses is established through a provision charged to loan losses expense. The allowance is an amount management believes is adequate to absorb estimated losses on existing loans that may become uncollectible. When all or a portion of a loan is deemed uncollectible, or recoverable through a sale of collateral, such amount is charged to the allowance for loan losses.

The following tables set forth our loan delinquencies and write-offs for the past three fiscal years:

**Delinquent Loans**

As of March 31, 2018, we had the following delinquent loans:

| | Number | Payment Due | Loan Amount |
|---|---|---|---|
| 31-60 days | 6 | $ 2,695 | 132,639 |
| 61-90 days | 4 | 6,671 | 218,485 |
| > 90 days | 6 | 16,343 | 400,987 |
| | 16 | $25,709 | $752,111 |

The amount 31 or more days past due was equivalent to 1.32% of the outstanding amortizing mortgage loans receivable balance at March 31, 2018.

As of March 31, 2017, we had the following delinquent loans:

| | Number | Payment Due | Loan Amount |
|---|---|---|---|

| | | | |
|---|---|---|---|
| 31-60 days | 9 | $ 2,240 | $ 217,790 |
| 61-90 days | 3 | 3,396 | 248,882 |
| > 90 days | 12 | 15,850 | 620,734 |
| | 16 | $ 21,487 | $ 1,187,407 |

The amount 31 or more days past due was equivalent to 2.19% of the outstanding amortizing mortgage loans receivable balance at March 31, 2017.

As of March 31, 2016, we had the following delinquent loans:

| | Number | Payment Due | Loan Amount |
|---|---|---|---|
| 31-60 days | 8 | $ 5,602 | $ 274,238 |
| 61-90 days | 4 | 7,345 | 231,983 |
| > 90 days | 4 | 2,757 | 216,633 |
| | 16 | $ 15,704 | $ 722,853 |

The amount 31 or more days past due was equivalent to 1.4% of the outstanding amortizing mortgage loans receivable balance at March 31, 2016.

**Loan Loss Allowance**

Changes in the allowance for loan losses at March 31, 2018, 2017, and 2016 are summarized as follows:

| | Amortizing | Deferred | Total |
|---|---|---|---|
| Balance, March 31, 2016 | $ 1,102,111 | 3,623,584 | 4,725,695 |
| Provision for loan losses | 132,502 | 283,434 | 415,936 |
| Loans charged off, net of recoveries | (52,891) | (158,018) | 210,909 |
| Balance, March 31, 2017 | 1,181,722 | 3,749,000 | 4,930,722 |
| Provision for loan losses | 209,635 | 851,000 | 1,060,635 |
| Loans charged off, net of recoveries | (20,429) | 0 | (20,429) |
| **Balance, March 31, 2018** | $ 1,370,928 | $4,600,000 | $5,970,928 |

**Fundraising Results**
**As of March 31, 2016 through 2018**

**Cash received from grants and contributions**

| | |
|---|---|
| 2016 | 1,739,763 |
| 2017 | 2,749,864 |
| 2018 | 4,737,696 |

## Governance and Administration

Homewise is governed by its Board of Directors (the "Board") and an Executive Committee of four officers. The Board is responsible for the oversight of all business of Homewise. The Board consists of no fewer than seven and no more than fifteen Directors. The résumés of our Executive Committee and Directors are available upon request.

Executive Committee and Board Members at Large

| EXECUTIVE COMMITTEE MEMBER | PRINCIPAL OCCUPATION | ADDRESS |
|---|---|---|
| **Erika Campos**, Board Chair | Executive Director of Strategic Planning & Business Development, CHRISTUS New Mexico | Santa Fe, New Mexico |
| **Debra Walsh,** Board Vice Chair | Chief Officer of Strategic Development and Executive Vice President, Mercy Housing | Portland, Oregon |
| **Andrew Spingler**, Board Treasurer | Owner and Founder, The Focal Point, LLC – marketing and communications firm. | Santa Fe, New Mexico |
| **Anne Messbarger-Eguia,** Board Secretary | Self Employed. Provides strategic planning consulting services | San Antonio, Texas |
| **MEMBER AT LARGE** | **PRINCIPAL OCCUPATION** | **ADDRESS** |
| **Teresa Leger de Fernandez**, | Attorney and Founder, Leger Law & Strategy, LLC. | Santa Fe, New Mexico |
| **Shelle Sanchez, Ph.D.** | Owner, Collaboristic | Albuquerque, New Mexico |
| **Agnes Noonan** | President, WESST | Albuquerque, New Mexico |
| **Paul Vogel** | Consultant in commercial real estate; Senior VP of SiteWorks Retail Real Estate Services | Santa Fe, New Mexico |
| **Katherine Ulibarri** | Vice President for Finance and Operations, Central New Mexico Community College | Albuquerque, New Mexico |
| **Kay Naranjo** | Regional Controller for CHRISTUS St. Vincent Hospital | Santa Fe, New Mexico |

Key Employees

***Michael Loftin**, Chief Executive Officer*
Mr. Loftin has served as the Chief Executive Officer since 1992 and is responsible for implementing the strategic goals and objectives of Homewise, and giving direction and leadership towards the achievement of Homewise's philosophy, mission, and strategy. Mr. Loftin earned a B.A. from Northwestern University.

***Mark Vanderlinden**, Chief Lending Officer*
Mr. Vanderlinden is responsible for directing the mortgage lending department through all aspects of the mortgage loan process and the approval or denial of mortgage loan applications. Mr. Vanderlinden earned a B.S. in Business Administration and Economics and an M.A. in Economics from Central Michigan University.

***Laura Altomare**, Chief Communications Officer*
Ms. Altomare is responsible for securing operational and capital funding and developing and implementing the marketing and communication strategies of Homewise. Ms. Altomare earned a B.A. from Colorado State University.

***David Brasier**, Director of Finance*
CMA, CPA, Director of Finance, joined Homewise in 2017. He has 25 years of experience in accounting, financial management, and budgeting for large commercial and government organizations. David works to maximize the return on financial assets by establishing financial policies, procedures, controls and reporting systems while ensuring legal and regulatory compliance for all accounting and financial reporting functions. Mr. Brasier earned a B.B.A. in Finance from New Mexico State University and an MBA in Financial Management from National University. He is also a Retired Lieutenant Colonel of the US Marine Corps Reserve.

***Daniel Slavin**, Director of Real Estate Development*
Mr. Slavin joined Homewise in 2017 after a career as Director of Finance for a locally managed nonprofit organization. At Homewise, he leads the real estate development strategy to provide homeownership opportunities for low to modest-income families in New Mexico. Mr. Slavin earned a B.S.B.A. in Finance from John Carroll University.

***Agiola Bejko**, Director Customer Care*
Ms. Bejko is responsible for leading a team of Home Purchase Advisors, Trainers and Outreach coordinators in delivering Homewise's mission in the community by preparing potential homeowners to make informed decisions in purchasing a home. Ms. Bejko earned a B.A. in Business Administration from Carthage College.

***Elena Gonzales**, Director of Albuquerque Operations*
Ms. Gonzales is responsible for leading general operations, business development and strategic planning for the Albuquerque and surrounding area market. Ms. Gonzales earned a BBA from the University of New Mexico.

Remuneration

None of our directors were paid any remuneration for serving as a director. For the fiscal year 2018, the aggregate remuneration for Homewise Executive Officers (CEO, CCO, and CLO) was approximately $550,579, which includes salaries, bonuses, health or other insurance, and retirement plan contributions. Total remuneration is expected to be generally the same for the next 12 months.

Retirement Plan

Homewise has a 403(b) retirement plan for its employees. Following one year of service, Homewise makes a basic contribution of 5% of an employee's compensation plus a contribution matching up to 3% contributed by the employee through salary deferral. Our contribution was $276,227 and $237,867 for the years ended March 31, 2018 and 2017, respectively.

Employees

Homewise has approximately 80 employees, who work primarily in Santa Fe and Albuquerque, New Mexico. Homewise's employees are critical to its overall success and are skilled in a variety of areas including, lending, construction, real estate development, and financial and home purchase advising. Homewise considers its employee relations to be good, and has no collective bargaining agreement. An organizational chart and resumes of key personnel and staff are available upon request.

Related Party Transactions

Homewise has a loan with SVHsupport totaling $2,000,000. At the time of the loan, a board member was the President of SVH Support and a board member of Christus St. Vincent Regional Medical Center (CSVRMC). Homewise has a continuing relationship with CSVRMC related to an Employee Affordable Housing Program. The purpose of the Program is to help CSVRMC retain employees by providing financial assistance to employees who meet the program guidelines for the purchase of a home. Homewise received a $100,000 Affordable Housing contribution from CSVRMC during 2016 used for down payment assistance in the form of deferred loans. In addition, SVHsupport provides secondary loans to CSVRMC employees under the Employee Affordable Housing program. Homewise provides mortgage loan servicing to SVHsupport for these loans. Two organization Board Members are employed by CSVRMC.

Homewise has investments from both Homewise Employees and Homewise Board Members in Homewise Community Investment Fund Notes. Related party investments totaled $79,979 and $96,664for 2018 and 2017, respectively.

Loans to other related parties amounted to $705,730 and $409,089 at March 31, 2018 and 2017, respectively. These loans were issued to employees of Homewise who qualified to participate in the Homewise lending program. Each loan was issued in accordance with Homewise's policy.

Litigation and Other Material Transactions

As of the date of this prospectus, we are not subject to any adverse order, judgment or decree of any court, governmental authority or administrative body, and we are not a defendant in any present, pending or (to our knowledge) threatened material legal proceedings.

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