

**191—50.87 (502) Nonprofit securities exemption.**

**50.87(1)** Church extension funds or similar organizations making continuous offerings shall be exempt pursuant to Iowa Code section 502.201(7) “b” provided the issuer:

- a.* Applies for the exemption;
- b.* Files an offering circular and otherwise substantially complies with the NASAA Statement of Policy Regarding Church Extension Funds as adopted by the NASAA membership on April 17, 1994, and amended by the NASAA membership on April 18, 2004, and published in CCH NASAA Reports at paragraph 1951;
- c.* Files all sales and advertising literature;
- d.* Files a consent to service of process;
- e.* Unless disallowed by the administrator within 15 days after the applicant has filed the items required by paragraphs 50.87(1) “a” to “d,” is authorized beginning 15 days after the filing is received to sell pursuant to the exemption;
- f.* After authorization, may sell securities for a period of 12 months; and
- g.* Upon the expiration of the 12-month period in paragraph 50.87(1) “f,” files a renewal application that complies with the requirements of this subrule.

**50.87(2)** Church bonds and other one-time offerings for a single specific project shall be exempt pursuant to Iowa Code section 502.201(7) “a” provided the issuer:

- a.* Files a notice specifying the material terms of the offering that comply with the NASAA Statement of Policy Regarding Church Bonds as adopted by the NASAA membership on April 14, 2002, and published in CCH NASAA Reports at paragraph 1001; and
- b.* Files a consent to service of process.

This rule is intended to implement Iowa Code section 502.201(7).