SYNOD OF THE PACIFIC
MISSION DEVELOPMENT CERTIFICATES

I. OFFERING CIRCULAR

ISSUER: SYNOD CORPORATION (the "Issuer")
Synod of the Pacific, Presbyterian Church (U.S.A.)
PO Box 964
Petaluma, CA 94953-0964

SECURITIES: Mission Development Certificates ("MDCs")

MDCs vary in amounts with varying (but fixed) maturity dates at varying (but fixed) rates of interest. They are unsecured. There is no limit as to the total amount of MDCs that may be offered.

The MDCs are offered only to constituent churches of the Presbyterian Church (U.S.A.) and organizations affiliated with the Presbyterian Church (U.S.A.) within the bounds of the Synod of the Pacific. The MDCs are non-negotiable and not assignable. There is no public market where MDCs are traded or sold and none is expected to develop. ***AS A RESULT, INVESTORS WHO PURCHASE MDCs SHALL HOLD THEM UNTIL MATURITY, AS THEY ARE NOT REDEEMABLE, UNDER ANY CIRCUMSTANCES, DURING THE TERM OF THE MDC.***

The MDCs constitute "Securities" under the securities act of the State of California and other applicable state securities laws. They are exempt from registration as they qualify and are defined as an issue of a non-profit religious organization. Receipt of notices of exemption from the California Department of Corporations or any other state securities administrator does not signify that any such securities administrators have approved or recommended the MDCs, nor have the Administrators passed upon the accuracy of this offering circular of the merits of the offering. Any representation to the contrary is a criminal offense.

Purpose:

Proceeds of MDCs will be used for loans to churches and related organizations within the geographic boundaries of the Synod of the Pacific, for the purchase, improvement, construction or development of land and buildings, to facilitate the mission of the Presbyterian Church (U.S.A.) within the Synod and in other cooperating Synods. Deeds of Trusts or other collateral may be obtained as security for these loans.

Repayment:

The principal source of repayment of MDCs will be from amounts received in repayment of loans made to constituent churches and related organizations of the Synod.

Date of Offering:

The offering of MDCs will commence on November 18, 2002. There is no termination date for the offering.

Financial Statements:

This offering circular does not contain financial statements of the Issuer, audited or otherwise. Prospective purchasers of MDCs are entitled to review financial statements of the Issuer, which shall be furnished upon request. Repayment of MDCs is dependent upon the financial condition of the Issuer.

II. HISTORY/OPERATIONS OF THE ISSUER AND THE SYNOD OF THE PACIFIC

MDCs will be issued by the Synod of the Pacific, a California nonprofit religious corporation (the "Issuer"), a synod within the discipline of the Presbyterian Church (U.S.A.), (the "PCUSA"). The principal offices of the Issuer are located at PO Box 964 Petaluma, CA 94953-0964.

The Issuer was organized in California on February 13, 1968, and is a nonprofit religious corporation the purpose of which is to cooperate with, aid and sustain the ecclesiastical organization of the Issuer in any and all civil, religious and property matters pertaining to its work in aid of the PCUSA churches and institutions within the bounds of the ecclesiastical organization. The Issuer is governed by the Book of Order of the PCUSA and is an organization fully integrated with the PCUSA.

III. USE OF PROCEEDS

The proceeds from MDCs will be allocated to the Investment and Loan Services Fund (the "Fund") by the Issuer. Amounts in the Fund will be used to provide loans to PCUSA churches and related organizations within the bounds of the Synod for the construction or purchase of sanctuaries, manses, Christian education buildings, conference grounds, and similar church facilities, and other capital improvements not readily removable from the property.

The Fund is administered by the Mission Finance Committee of the Issuer, which establishes general policies for the making of loans (the "Fund Policies"). The Mission Finance Committee has authority to recommend loans to the Issuer. The Issuer's Loan Coordinator assists the Issuer in these activities. The Issuer reserves the right to periodically review and modify the Fund Policies.

As of the date of this Offering Circular, the Fund Policies provide for two classes of loans. Over 85% of loans are Amortized Loans, which are secured by real property, amortized for no more than 25 years, with terms no longer than 5 years. Less than 15% of loans are "Lines of Credit," which are secured by real property if over $25,000, with interest only payments, and terms no longer than 2 years. All loans require minimum cash participation by the borrower of 10% of the project cost, and no more than 15% of total outstanding loans may be lent to a single borrower. At the end of the term of each loan, the Synod may renew the loan for an additional term, provided that Amortized Loans may not be outstanding for more than twenty-five years, and Lines of Credit loans may not be outstanding for more than four years.

Under the current Fund Policies, interest rates on all loans are based on the Synod's internal cost of funds (less any mission giving discounts).

The portion of the Fund that is not used for Loans is intended to provide adequate funds for maturing certificates. A loan loss reserve will be maintained equal to one-half of one percent of the total of the outstanding Loans balance. This reserve is intended to reduce the risk of default on repayment of MDCs in the event of default on any of the Loans. Although the reserve will help avert such a default temporarily, ultimate repayment of the MDCs will be jeopardized to the extent Loans in default are not eventually repaid, whether by the borrower or by resort to available collateral. The portion of the Funds that is not used for Loans is invested in money market accounts or other short-term cash equivalents.

IV. RISK FACTORS

Risks are involved in investing in the MDCs of which investors should be aware. These risks include:

Source of Repayment:

The principal source of repayment of MDCs will be amounts repaid to the Issuer on the Loans. The churches and related organizations to which Loans are made rely predominantly on their congregations for operating funds, including funds for the repayment of debt. The number of church members and the level of contributions by these members may fluctuate in the future, affecting the total funds available to the churches for their operations, including the repayment of Loans. There can be no assurance to investors that the level of church membership and contributions by members will be sufficient to permit repayment of Loans. If delinquencies in such repayments were to occur, this would be likely to adversely affect the ability of the Issuer to repay to investors the principal and/or interest on MDCs. There can be no assurances that other creditors of the Synod will not be able to claim the proceeds of the Loans to satisfy obligations owed to them by the Synod.

Lack of Marketability:

MDCs will be non-negotiable **and not assignable.** There is no public market where MDCs are traded or sold and none is expected to develop. As a result, investors who purchase MDCs should intend to hold them until maturity.

Limited Experience:

Although some of the members of the Board of Trustees have limited business and financial experience, the Fund is not managed by professional loan officers. As a result, and given the purposes for which and the borrowers to whom Loans are made, Loans may not be of the same quality and level of safety as those made by financial institutions.

Insufficient Collateral for Loans:

The Collateral securing a loan ordinarily will be in the form of an amortized loan or deed of trust on the property of the project for which the proceeds of the loan are used. The loan may additionally be secured by an amortized loan on other property. In addition, the Presbytery within which a borrowing church is located will typically co-sign the church’s obligation, and the church may be asked to assign pledges received in connection with building fund~~s~~ campaigns. Nevertheless, in the event of default, the value of the collateral may be less than the amount owed on a Loan and there may be other entities holding prior amortized loans or deeds of trust on the same collateral. In the case of a church building, the value of such collateral may be limited due to its single purpose nature.

Other Creditors of Issuer:

Amounts in the Fund and the rights of the Issuer of repayment of Loans will be subject to the claims of all general creditors of the Issuer. Thus, the financial health of the Fund will be limited directly to the well being of the Synod as a whole.

V. PROPERTY OF THE ISSUER

Apart from assets related to the Synod Investment and Loan Service Funds, the issuer has no significant assets.

VI. TERM OF MDCs

MDC Notes are available for a term of six (6) months, one (1) year, two (2) years, and three (3) years, with a minimum investment of $1,000. The interest rate offered is determined by the issuer based on recommendations of the Mission Finance Interest Rate Subcommittee.

Each MDC Note will be evidenced by a certificate in the name of the investor setting forth the amount, interest, and term of the investment. Once issued, the terms of the certificate cannot be modified. The issued certificate is not redeemable, under any circumstances, during the term of the MDC note. Upon maturity, the MDC Note must be presented for payment. If the investor fails to present the certificate within thirty (30) days after its due date, the MDC Note, along with interest due on the note, shall be automatically renewed for a term of six (6) months at the current six-month rate.

All payments will be sent to the investor named on the certificate at the address that appears on the books of the Issuer. Upon return of principal at maturity, interest will be added to the principal balance of the MDC unless otherwise directed by the investor.

MDCs are not federally insured, are non-negotiable and not assignable. There are no provisions for early redemption of an MDC Note. An investor who purchases an MDC Note should intend to hold it for its full term. Because MDCs are an investment and not a contribution, investors who purchase MDC Notes should not expect to receive a charitable deduction in connection with their purchase. Interest paid or accrued on the MDCs will generally be taxable as ordinary income to the investor.

VII. PLAN OF DISTRIBUTION

The Staff of the Issuer are the only persons authorized to sell MDCs. No compensation will be paid to these persons in connection with the offering of MDCs apart from the normal compensation they receive in the course of their work for the Issuer. This compensation will not vary depending upon the success of the MDC Note program. There is no underwriting or selling arrangement between the Issuer and any broker-dealer, and there have been and are no past, present, or anticipated future dealings with broker-dealers, investment advisers, or financing organizations in connection with the offering of MDCs.

VIII. LITIGATION

The Issuer is unaware of any pending or threatened material legal proceedings, or proceedings known to be contemplated by governmental authorities, administrative bodies or other persons, to which the Issuer is or may be a party or to which any of its property is or may be subject.