

Virginia Housing and Community Development Corporation

445 N. Main Street, #1574, Suffolk, VA 23439 866.931.5760 · www.vhcdc.org

PROSPECTUS

June 1, 2015

VHDC Community Investment Notes

VHDC Community Investment Note	
Total Aggregate Offering	\$1,250,000*
Term/Maturity	Various terms of 1 to 10 years
Rate	0.0%, 0.5%, 1.0%, 1.5%, 2.25%, 3.0%
Minimum Investment Requirement	\$100.00
Status	Senior Unsecured Debt

*Investor dollars are NOT used to pay sales commissions or existing debt.

Virginia Housing and Community Development Corporation (the "Corporation"), is a 501(c) (3) non-profit organization located in Suffolk, VA. The Corporation may from time to time issue VHDC Community Investment Notes (the "Notes"), a Promissory note that channels capital to community development initiatives in the Commonwealth of Virginia. Specific terms of the Notes will be described in a separate pricing supplement or on the VHDC website. The Corporation will use proceeds of the Notes for the Corporation's general investing purposes, as part of a program of targeted investment, or both. The Corporation will offer Notes directly to individuals and NOT through any registered broker-dealers.

The Notes are subject to certain risks. See page 4.

Investors are cautioned not to rely on any information not expressly set forth in this prospectus, any related pricing supplement, or VHDC website. Investors are advised to read this prospectus and any related pricing supplement or VHDC website page carefully prior to making any decision to purchase these securities. No person or entity 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 representation must not be relied upon as having been made by the issuer.

Neither the Notes nor the adequacy of this prospectus have been approved, disapproved or passed on by the Securities and Exchange Commission, any state securities commission or any other regulatory body. Any representation to the contrary is a criminal offense.

This prospectus does not constitute an offer or the solicitation of an offer to sell to any person in any state or any other political jurisdiction in which such offer or solicitation may not lawfully be made. This prospectus does not constitute an offer by a broker-dealer in any state where said broker-dealer is not qualified to act as a broker-dealer. Federal and state securities laws may affect the Corporation's ability to continue to sell the Notes. These Notes are NOT for sale in ANY state other than the Commonwealth of Virginia.

The Notes are being offered under an exemption from federal registration pursuant to Section 3(a)(4) of the Securities Act of 1933, as amended (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.

There is not expected to be any secondary market in the Notes. The Notes may not be transferred or resold except as permitted under the Securities Act and Securities Exchange Act of 1934 and applicable state securities laws. Accordingly, investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

The Notes are not and will not be insured or guaranteed by the Federal Deposit Insurance Company ("FDIC"), the Securities Investment Protection Corporation ("SIPC"), or any other agency.

The Corporation will not issue and purchasers may not purchase more than \$250,000 of Notes in any calendar year. The amount of Notes that may be sold under this offering shall be limited to \$250,000 in 2015, \$250,000 in 2016, \$250,000 in 2017, \$250,000 in 2018, and \$250,000 in 2019.

This offering shall terminate on December 31, 2019.

TABLE OF CONTENTS

OFFERING SUMMARY	2
SUMMARY FINANCIAL INFORMATION	3
RISK FACTORS	4
DESCRIPTION OF THE NOTE	7
DISTRIBUTION	9
FINANCIAL REPORTING	9
USE OF PROCEEDS	10
INVESTMENT POLICY	11
CAPITALIZATION	12
BOARD OF DIRECTORS	13
KEY PERSONNEL	14
LEGAL MATTERS	15
VHCDC COMMUNITY INVESTMENT NOTES APPLICATION	Attachment

OFFERING SUMMARY

This section summarizes the legal and financial terms of the Notes that are described in more detail in the section entitled "Description of the Note" beginning on page 6. Final terms of any particular Note will be determined at the time of sale and will be contained in the accompanying pricing supplement or on the relevant VHDCDC website page relating to those Notes. The terms in that supplement or website page may vary from and supersede the terms contained in this prospectus. Before you decide to purchase a Note you should read the more detailed information appearing elsewhere in this prospectus and in the accompanying pricing supplement or VHDCDC website page.

What is Virginia Housing and Community Development Corporation?

The Notes are issued by Virginia Housing and Community Development Corporation (the "Corporation"), a Virginia non-profit corporation that was created in February, 2004 and received its tax-exempt status December, 2004. The Corporation, now an independent 501(c)(3) non-profit community development entity, was launched in 2005 when VHDCDC teamed up with local non-profit organizations, government, and private individuals to educate, promote and support investment in minority business enterprises.

The Corporation is working to promote and support entrepreneurship, to advance entrepreneurship education and training, to promote entrepreneurship-friendly policies, to connect disadvantaged small businesses to capital and credit, and to facilitate the commercialization of new technologies and services by small, women, and minority-owned businesses which have great promise for improving the economic welfare of our region.

The Corporation is also working to assist economically and socially disadvantaged individuals to achieve self-sufficiency, to improve urban and rural housing conditions, to advance housing design and development, to promote people-friendly housing policies, and to better facilitate the commercialization and implementation of new, environmentally-friendly technologies by entrepreneurs and others which have great promise for improving housing construction and maintenance in our region.

Who is the Issuer of the Notes?	Virginia Housing and Community Development Corporation
What are the terms of the Notes being offered?	<p>The Corporation is offering up to \$1,250,000 of Senior Unsecured Notes with various terms of 1 to 10 years.</p> <p>The specific terms of the Notes will be described in a separate pricing supplement or on the VHDCDC website. Not more than \$250,000 of Notes may be issued in any given year.</p>
How can I purchase Notes?	<p>The Notes are available for purchase in paper form and may be purchased directly from the Corporation and may NOT be purchased through any registered broker-dealers.</p> <p><i>The Notes are not mutual funds and were created by the Corporation. They should not be confused with any other investment product.</i></p>
How will the Corporation use the proceeds of the Notes?	<p>The proceeds from the Note sales are used primarily for neighborhood revitalization projects that include, but are not limited to, the acquisition, rehabilitation, and rental or sale of single and multi-family housing, mixed-use, and commercial properties located in select distressed communities within the Commonwealth of Virginia. The proceeds may also be placed as direct investments in select minority-owned, small business enterprises, through our community development venture capital investment activities, as equity investments or lent to these businesses at slightly below-market rates. Borrowers are selected on the basis of their ability to contribute to growing local economies and to provide low-income individuals with avenues to economic self-sufficiency. (See the full section entitled "Use of Proceeds" on page 10.)</p>

SUMMARY FINANCIAL INFORMATION

The following table sets out certain summary financial information.

Statement of Financial Position:

	FY 2012	FY 2013	FY 2014 *
Assets	\$13,293	\$13,672	\$13,518
Liabilities	\$ 0	\$ 94	\$ 0
Equity	\$13,293	\$13,578	\$13,518
Total Liabilities & Equity	\$13,293	\$13,672	\$13,518

Statement of Operations:

	FY 2012	FY 2013	FY 2014 *
Total Income	\$52,891	\$ 6,754	\$13,451
Total Expense	<u>\$43,984</u>	<u>\$ 6,469</u>	<u>\$12,792</u>
Net Income/Loss	\$ 8,907	\$ 285	\$ 659

* Audited Results

RISK FACTORS

Investment in our Community Investment Notes involves certain risks. You should carefully consider the risks described below and the other information contained in this Prospectus before deciding whether to purchase Notes.

I. Risks Associated with the Notes and the Offering

Notes are subject to all the risks associated with unsecured investments.

The Notes are unsecured general obligations of the Corporation and are not deposits or obligations of, or guaranteed or endorsed by, any bank, and 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 the Corporation. Further, no sinking fund or other similar deposit has been or will be established by the Corporation to provide for the repayment of the Notes. Therefore, the relative risk level may be higher for the Notes than for other securities.

The Corporation is offering the Notes on a best-efforts sales basis and there is no minimum sales requirement.

The sale of the Notes is a best efforts offering and there is no minimum sales requirement. Because the Corporation has already established the appropriate systems and processes to administer this offering, a low sales volume will not prompt cancellation of the offering or cause the Corporation to refund Note purchases to existing investors.

The interest rate applicable to a Note is fixed at the time of issue.

Interest rates offered for the Notes may change at the Corporation's discretion, but currently range from 0%-3%. Should commercial rates rise, the Corporation is not legally obligated to redeem the principal or make a partial withdrawal of a Note prior to its maturity. A penalty may be charged against interest accrued in the event of an early redemption or partial withdrawal. 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 relatively low interest rates on the Notes.

The Corporation may issue additional Notes that will rank equally with the Notes purchased by any holder.

The Corporation may issue additional Notes without the consent or approval of the owners of any Notes then outstanding.

There is not expected to be any secondary market in the Notes.

The nature of this program 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.

II. Risks Associated with the Use of Proceeds

The Corporation has a considerable degree of discretion in investing and lending the Note proceeds.

The Board of Directors exercises discretion in investing and lending the proceeds of this offering. For our neighborhood revitalization program, this includes, but is not limited to, conducting a rigorous due diligence of city/county community improvement plans, redevelopment activities and plans, land and improvement pre- and post-development values, rental or resale potential, and profitability. For our community development venture capital program, this includes, but is not limited to, conducting a rigorous due diligence of an applicant's financial and business information, industry, credit history, capital structure, liquidity, management track record, and socio-economic impact. Nevertheless, there can be no assurance that losses in the Corporation's portfolio will not occur.

Repayment of the Notes will depend on the return on our real estate investments.

The proceeds from the Note sales are used primarily for neighborhood revitalization projects that include, but are not limited to, the acquisition, rehabilitation, and rental or sale of single and multi-family housing, mixed-use and commercial properties located in select distressed communities within the Commonwealth of Virginia. A decline in real estate values, or further neighborhood deterioration, may affect the resale value of properties in our real estate portfolio, especially

during challenging economic environments when availability of qualified buyers may decrease and neighborhood erosion may increase.

Repayment of the Notes will depend on the ability of borrowers from the Corporation to repay their loans to the Corporation.

The proceeds may be placed as direct investments in select minority-owned, small business enterprises, through our community development venture capital activities, as micro-equity investments or lent to these businesses at slightly below-market rates as micro-loan investments. These predominantly disadvantaged business owners generally have little to no collateral, minimal personal net worth, and limited, if any, borrowing capacity. Secondly, they derive their income from minimum or low-wage jobs and may have other obligations that may affect their ability to repay the Corporation, especially during challenging economic environments.

The investments made by the Corporation with proceeds from the Notes are typically illiquid.

Investments made by the Corporation with proceeds from Note sales are typically illiquid. While investment diversification, rigorous due diligence and limited maturity can reduce the risk of loss, there can be no assurance that losses will not occur.

There is no guarantee that our neighborhood revitalization efforts will be profitable, and the Corporation relies on such profits to pay the Notes.

While the Corporation intends to pay its investors on schedule, negative returns on real estate investments may result in the Corporation having insufficient loss reserves and subordinated capital to satisfy all outstanding Notes. Investors can expect to be paid only from cash and reserves held by the Corporation, and not from any other entity.

There is no guarantee that our community development venture capital activities will be profitable, and the Corporation relies on such profits to pay the Notes.

While the Corporation intends to pay its investors on schedule, defaults or untimely repayments of investments may result in the Corporation having insufficient loss reserves and subordinated capital to satisfy all outstanding Notes. Investors can expect to be paid only from cash and reserves held by the Corporation, and not from any other entity.

III. Risks Associated With the Corporation

Changes in federal and state regulations may adversely affect holders of Notes.

Future changes in federal or state laws, rules, or regulations regarding the sale of securities by religious, charitable or other non-profit organizations may make it more costly and difficult for the Corporation to offer and sell the Notes. Such an occurrence could result in a decrease in the amount of Notes sold by the Corporation, thus affecting the Corporation's operations and ability to meet its obligations under the Notes.

Holders of Notes may be adversely affected by a change by the Corporation in its current operations or existence.

The Corporation is not obligated to continue offering the Notes or to continue its current operations or existence as a not-for-profit entity. Any such change in its operations or status could negatively impact its ability to repay the Notes.

The Corporation is dependent upon the continued services of certain key personnel.

The President or any member of the senior management team could leave the Corporation at any time, leaving a temporary vacancy in a key position. The Corporation tries to ensure a depth of management such that a departure will not impede the Corporation's functioning. However, there can be no assurance of continuity in the Corporation's key personnel nor does the Corporation maintain Key Man Insurance.

Holders of Notes are subject to risk associated with bankruptcy or insolvency of the Corporation.

If the Corporation seeks relief under bankruptcy or related laws, a bankruptcy court could attempt to consolidate its assets into the bankruptcy estate, possibly resulting in delayed or reduced payments to Note holders.

Holders of Notes should be aware of certain tax consequences.

The principal amount of a Note is not tax-deductible, and all interest paid or accrued on the Notes is taxable as ordinary income to investors. If an investor opts to irrevocably donate earned interest to the Corporation, such a donation may be tax-deductible as a charitable contribution (see "Interest Accrual" on page 7). If interest paid is below the market interest rate, the Internal Revenue Service may impute income up to the market interest level. The Internal Revenue Service may exempt certain loans, including gift loans to charitable organizations, if the amount does not exceed \$250,000.

The Corporation's loss reserve may not be adequate.

The Corporation's investment portfolio maintains a loss reserve that is reviewed quarterly by the Board of Directors (see "Loss Reserve" on page 11). However, please note that the loss reserve may not be adequate to meet all potential losses.

Other investments of the Corporation may adversely impact holders of Notes.

A portion of the Corporation's liquid assets is invested in readily marketable securities and is subject to various market risks that may result in losses if market values of investments decline.

DESCRIPTION OF THE NOTE

What is Community Investing?

Community investment directly finances socially or economically beneficial projects in disadvantaged communities that generally cannot attract financing through traditional market mechanisms. The mission is to invigorate local communities and provide the poor with avenues to economic self-sufficiency. Community investing provides an alternative source of capital for community development organizations and a more efficient way to channel funds to these institutions. Long term, it is intended to create a mainstream financial mechanism for the general public to invest in these community institutions.

What is a Community Investment Note?

The Notes are debt securities designed to support the growth of community-based organizations for the purposes of promoting business creation, housing development, and economic and social development of disadvantaged communities. The Notes provide a fixed rate of interest for the term of the Note. The money raised is applied to neighborhood revitalization and community development venture capital.

Seniority / Security

The Corporation's Notes are not, and will not become, subordinate to any other indebtedness of the Corporation.

Who Can Invest?

The Notes are marketed to individual investors; they are not restricted to any limited class of investors.

Uniform Gifts to Minors Act (UGMA)

For accounts opened under the Uniform Gifts to Minors Act, you, the account owner, are the custodian. By opening this type of account, you agree that all assets belong to the minor and that you will only use them for the minor's benefit - even after the assets have been removed from the account.

How to Invest / Purchase Methods

The Notes may be purchased directly from the Corporation by completing the VHCDC Community Investment Note Application found at <http://www.vhcdc.org/notes> - attached to this prospectus - or by calling the Corporation at 1.866.931.5760. Interest rates are fixed at the outset of the investment and are paid as simple interest. The Notes are not available for purchase through any broker-dealer.

Interest Accrual

Notes begin to accrue interest upon the deposit of funds sent by the investor to the Corporation. Both the anniversary and maturity dates of the notes correspond to the date that the Corporation deposits investor funds. Interest accrues on a 360-day year basis, and investors may elect to have their interest paid out or donated to the Corporation as a tax deductible contribution.

Options at Maturity / Reinvestments

Notes are redeemed automatically at maturity. While investors are encouraged to purchase a new Note with the proceeds, no reinvestment option is available.

Early Redemption

Early redemption is NOT allowed.

Partial Withdrawal

Partial withdrawal is not available.

Events of Default

Notes will become immediately due and payable upon the occurrence of non-payment of principal or interest.

Transfer on Death Accounts

Transfer on Death ("TOD"), or Payable on Death ("POD") accounts are not offered for the Notes.

Minimum and Maximum Account Balance

The minimum account balance on a Note is \$100.00. There is no maximum, except that the Corporation shall not sell more than \$250,000 annually.

Secondary Market

The nature of this program does not presently afford the opportunity of a secondary market. The Corporation may make secondary market transactions, but it is not obligated to do so. Consequently, the purchase of a Note should be viewed as an investment to be held to maturity.

Interest Payments and Tax Reporting

Interest is paid once a year on the anniversary date of a Note. In general, cash-basis taxpayers are required to report interest on their tax return only after the interest has been paid out. For example, a holder of a Note with an issue date in May 2015 would receive the first interest payment on the Note in May 2016 and report this interest on the tax return for 2016. The Corporation will provide investors with a Form 1099 in January of each year indicating the interest earned on their Notes in the prior year. If interest paid is below the market interest, the Internal Revenue Service may impute income up to the market interest level. The Internal Revenue Service may exempt certain loans, including gift loans to charitable organizations, if the amount does not exceed \$250,000. *Note purchases are not tax deductible. Federal and state tax is due on the interest earned on the Note. Donated interest payments will still receive a Form 1099, as the interest was earned by the Note holder prior to the contribution. Consult your tax advisor regarding the effect on your taxes, if any, of accepting a below-market rate of return on your investment.*

DISTRIBUTION

The Corporation, as issuer of the Notes, serves as the distributor of the Notes. Please note that proceeds from the sale of the Notes will not be used to pay commissions or any other costs related to the sale of the Notes.

FINANCIAL REPORTING

Within 150 days of the fiscal year end, the Corporation will make available to all prospective and current investors the audited financial statements of the Corporation for the most recent fiscal year end. The complete Financial Audit Report shall be made available online at: <http://www.vhcdc.org/invest> .

The most recent federal tax returns (Form 990) are available online at: <http://www.guidestar.org/organizations/20-0779486/virginia-housing-community-development-corporation.aspx>

USE OF PROCEEDS

The Corporation invests money in neighborhood revitalization projects and community development venture capital investments in urban and rural communities. The Corporation's general policy is to invest approximately 100% of the total pool of assets in the Commonwealth of Virginia.

PROJECTED USE OF PROCEEDS	
	Amount (000)
Neighborhood Revitalization	\$ 875
Community Development Venture Capital	\$ 250
Liquidity Reserves	<u>\$ 125</u>
Total Investments	\$1,250

The proceeds from the Note sales are used primarily for neighborhood revitalization projects that include, but are not limited to, the acquisition, rehabilitation, and rental or sale of single and multi-family housing, mixed-use and commercial properties located in select distressed communities within the Commonwealth of Virginia. The proceeds may be placed as direct investments in select minority-owned, small business enterprises, through our community development venture capital investment activities, as equity investments or lent to these businesses at slightly below-market rates. Ventures are selected on the basis of their ability to scale, contribute to growing local economies and to provide low-income individuals with avenues to economic self-sufficiency. All proceeds are deployed as community investments; proceeds are not used to pay current outstanding Notes as they come due, or any other Corporation expenses.

Community development venture capital investment interest rates are established depending on the investment's risk level and terms and are approved for each transaction by the Board of Directors. Investments by the Corporation may serve small, disadvantaged businesses with limited access to traditional capital sources or provide capital at below market rates. Investments may be renewed based upon satisfactory performance and a favorable review by the Corporation's management and the Board of Directors. Applicants may be charged fees to cover certain expenses and committed capital.

INVESTMENT POLICY

Investment Risk Levels

Risk levels are assessed on each of the Corporation's investments. Loan recipients are required to submit quarterly financial statements and reports to the Corporation. The Corporation monitors exposures at the portfolio and loan levels. The loan risk rankings are updated annually. Portfolio reports are distributed to the Board of Directors on a quarterly basis. (See "Risk Factors" for a discussion of the actual risks to investors.)

Loss Reserve

The Corporation maintains a loan loss reserve that is computed on monthly basis and reviewed quarterly by the Board of Directors. The loss reserve requirements are calculated in accordance with a general risk framework determined by the risk-ranking and industry for the individual loan. The standard reserve levels are reviewed annually and approved by the Board of Directors. The standard loan loss reserve ranges from 0.5% to 20%, depending on the type of venture and level of risk. Loss reserve levels for innovative, high-impact, and/or "troubled" loans are approved by the Board of Directors. Additional loan loss reserve may be established based on management's assessment of potential loss with the approval of the Board of Directors.

Investment Criteria

Potential investments evaluated according to the criteria established by the Board of Directors. These criteria include, but are not limited to, the following:

1. Focus on low-income communities as well as ventures with minimal access to traditional sources of capital;
2. Contribution to growing the local economy, expanding opportunity, or promoting work-related activities, the creation or preservation of affordable housing and non-traditional business owners;
3. Supporting diverse communities in urban and/or rural areas; and,
4. Neighborhood revitalization using green/sustainable building practices including projects demonstrating next-generation materials, design, construction, and functionality.

CAPITALIZATION

The Corporation seeks funding for its community investment program from individual and institutional investors, as well as several program-related investments, grants, and loans that are subordinate to the Notes.

The Corporation's capitalization as of December 31, 2014 is shown in order of seniority below:

Community Investment Notes

None

Standby Loan Commitments

None

Subordinated Investments

None

Net Assets

Source	Amount
Net Assets	\$13,518
Total	\$13,518

Investing Activities

The Corporation's short-term investment policy is to invest its liquidity in cash and cash equivalents. These investments are by definition and by policy only highly-rated debt instruments, or suitable mission-related investments. The short-term investment policy is adopted and approved by the Executive Committee of the Corporation's Board of Directors, and only they may modify this policy. As of December 31, 2014, the Corporation's cash and cash equivalents totaled \$7,658.

Corporation Investments as of 12-31-2014		
Certificate of Deposit	\$ - 0 -	0%
Common Stock	\$ 81	1%
Debt Securities	\$ - 0 -	0%
Mission-Related Investments	\$ 7,577	99%
Mutual Funds	\$ - 0 -	0%
Notes Receivable	\$ - 0 -	0%
Other	\$ - 0 -	0%
Total	\$7,658	100%

BOARD OF DIRECTORS

The Corporation has a five-member Board of Directors (Bylaws allow up to twelve members), responsible for its overall policy and direction. A majority of the Board constitutes a quorum for the transaction of business. The Board of Directors reviews due diligence and reviews investment recommendations to the Board by management. Board members are reimbursed for out-of-pocket expenses related to Board activities.

Directors do not receive directors' fees or compensation for their service, except as may be appropriate. Directors may serve an indefinite number of consecutive three year terms unless they are removed by a majority vote. If a vacancy occurs, the current members may nominate candidates and consider the merit of their nominations based on the candidate's skills and expertise. A majority vote confirms nominations.

No director or officer has been convicted of any criminal activity, is the subject of any pending criminal proceedings, or has been the subject of any order, judgment or decree of any court enjoining such person from any activities associated with the offer or sale of securities.

Board Member	Date Joined	Expiration	Note Holdings at 12/31/2014
James R Taylor, III	2004	2016	\$ - 0 -
Katrina S. Taylor	2006	2015	\$ - 0 -
Perry L. Austin	2014	2017	\$ - 0 -
Maryellen Cosby-Small	2014	2017	\$ - 0 -
Shakiya L. Gardner	2014	2017	\$ - 0 -
Macy M. Jenkins, Jr.	2014	2017	\$ - 0 -
Stephanie N. Morales	2014	2017	\$ - 0 -
Jeff L. Parrish	2014	2017	\$ - 0 -
William L. Perry, Jr.	2014	2017	\$ - 0 -
Veronica Vann-Lowe	2014	2015	\$ - 0 -
Shannon T. Williams	2014	2017	\$ - 0 -

James R. Taylor, III President Director	President, Secretary Virginia Housing and Community Development Corporation Suffolk, VA	Stephanie N. Morales Secretary Director	Commonwealth Attorney Office of the Commonwealth Attorney City of Portsmouth, Virginia Portsmouth, VA
Katrina S. Taylor Vice President Director	Vice President, Treasurer Virginia Housing and Community Development Corporation Suffolk, VA	Jeff L. Parrish Director	President, Chief Executive Officer Parrish-Point, LLC Virginia Beach, VA
Perry L. Austin Director	Chief Executive Officer W.O.W. Gospel Ministries Chesapeake, VA	William L. Perry, Jr. Director	Managing Director Environmental Graphic Design International, LLC Hampton, VA
Maryellen Cosby-Small Director	Chief Executive Officer Fresh Coat Painters Hampton, VA	Veronica Vann-Lowe Director	President, Chief Executive Officer Earnest Enterprises, LLC Virginia Beach, VA
Shakiya L. Gardner Director	Cosmetologist Luxe Hair Studio Hampton, VA	Shannon T. Williams Director	Managing Member MsRealTee International, LLC Portsmouth, VA
Macy M. Jenkins, Jr. Director	Chief Executive Officer Innovative Communication Experts Hampton, VA		

KEY PERSONNEL

Contact Virginia Housing and Community and Community Development Corporation (VHDC) at 445 N. Main Street, #1574, Suffolk, Virginia 23439. The telephone number is: 866.931.5760 Key personnel include:

James R Taylor, III, President

James R Taylor, III is Founder of Virginia Housing and Community Development Corporation (VHDC) and currently serves as its President. Mr. Taylor was responsible for the development and launch of the MBE Capital Call Conference and Venture Forum (2005 to 2010), which educated minority business owners about myriad forms of commercial capital and introduced aspiring entrepreneurs to angel investors and venture capital. He led efforts to train small business owners how to access capital and credit for their business and is a tireless advocate for micro-equity investment in small, disadvantaged businesses.

Mr. Taylor led the launch of the MBE Empowerment Fund, an initiative to invest in micro-business enterprises and provide scholarships for aspiring young entrepreneurs in Virginia. He also spearheaded the launch of investment clubs (partnerships) across the Commonwealth of Virginia to help minority business owners not just increase their own wealth, but the net worth of their companies. The initiative has a long-term objective of creating a network of investors that may provide startup and operating capital for micro-business enterprises within their community.

Mr. Taylor is tenured advocate for minority business enterprise. He regularly participates in roundtable discussions, frequently contributes to magazine and newspaper articles on entrepreneurship and small business matters, and consistently introduces minorities, veterans, women, ex-felons, and youth to entrepreneurship opportunities and resources within their communities. He led the launch of the Norfolk/Portsmouth Empowerment Zone - Small Business Resource Center and Business Information Center and was later instrumental in establishing the first professional services incubator.

Katrina S. Taylor, Vice President and Treasurer

Katrina S. Taylor is an experienced procurement professional with 30+ years of progressive knowledge working for state agencies and institutions of higher learning. She retired January, 2011 as Director of Materiel Management at Christopher Newport University in Newport News, Virginia. She is experienced in negotiating contracts including blanket and bulk commodity pricing agreements.

Ms. Taylor has thorough knowledge of contract law and editing legal documents for legal sufficiency in Commonwealth of Virginia contracts. She served as the central agency representative for Small, Women and Minority (SWaM) owned businesses, and trained institution procurement directors and assisted them in creating effective supplier diversity programs and initiatives.

Ms. Taylor has served the Commonwealth of Virginia at numerous agencies and universities, such as the Department

of Labor, Norfolk State University, Old Dominion University, Department of General Services/Division of Purchases and Supply, and Christopher Newport University.

Stephanie N. Morales, Esq., Secretary

Ms. Stephanie N. Morales is the Commonwealth Attorney for the City of Portsmouth, Virginia. She previously served as the Assistant Commonwealth Attorney for the City of Portsmouth, where she prosecuted crimes committed against and by minors, as well as crimes committed against family members. Prior to public service, she practiced at Bob Jeffries & Associates where she handled civil family law matters, including contested and uncontested divorces, child custody and support cases, and some criminal and business matters.

Ms. Morales earned her Bachelor of Arts from Norfolk State University, where she was a Thurgood Marshall Scholar and graduated Magna Cum Laude. She was also crowned Miss Norfolk State University (2002-2003). She went on to earn her Juris Doctorate from the College of William & Mary School of Law, where she served on the William & Mary Moot Court Team and William & Mary Court Team Research and Development Justice, and joined Phi Alpha Delta Law Fraternity International.

Ms. Morales is member of Delta Sigma Theta Sorority, Inc., Jack & Jill of America, and the Portsmouth Bar Association.

LEGAL MATTERS

There are no pending legal proceedings involving the Corporation or, with respect to the Corporation, any of its directors, officers, employees, or contractors acting in their capacity representing the Corporation.

Past offers of rescission

There have been no requests for rescission prior to publication of this Prospectus.

All residents of the Commonwealth of Virginia have the option of rescinding their investment within 72 hours of the execution of a written agreement to purchase or reinvest in a Note at maturity. Please note that no investor in the Commonwealth of Virginia has exercised this option.

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Community Investment Notes Application

I have read the VHCDC Community Investment Notes Prospectus dated June 1, 2015 and would like to invest:

(Minimum \$100.00) \$ _____

Select Note Rate and Term:

- | | |
|----------------------|----------------------|
| _____ 1 Year, 0.0% | _____ 1 Year, 0.50% |
| _____ 3 Years, 0.0% | _____ 3 Years, 1.0% |
| _____ 5 Years, 0.0% | _____ 5 Years, 1.5% |
| _____ 7 Years, 0.0% | _____ 7 Years, 2.25% |
| _____ 10 Years, 0.0% | _____ 10 Years, 3.0% |

Individual or Company/Institution:

 First Name, Middle Initial, Last Name or Company/Institution

 Social Security Number or Tax Payer ID# _____ Date of Birth _____

 Address _____

 City _____ State _____ Zip Code _____

 Primary Phone (required) _____ Secondary Phone _____ Email (highly recommended) _____

Joint Investor or Company/Institution Officer:

 First Name, Middle Initial, Last Name _____ Title for Company/Institution Officer _____

 Social Security Number or Tax Payer ID# for Joint Investor _____ Date of Birth for Joint Investor _____

I acknowledge receipt of information regarding the policy binding my investment in VHCDC Community Investment Notes and I agree to be bound by these terms.

As required by law and under penalties of perjury, I certify that (1) the Social Security or taxpayer identification number (TIN) provided on this Application is my correct SSN/TIN, and (2) I am not currently under IRS notification that I am subject to back-up withholding. *(Please strike out clause (2) if you are currently under notification).* If the correct SSN/TIN is not supplied, the Corporation is required to withhold 28% of interest and/or redemption, and your account may be closed. The IRS does not require your consent to any provision of this Application document other than certifications to avoid back-up.

 Individual or Company/Institution Officer Signature (required) _____ Joint Signature (required for joint accounts) _____

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Community Investment Notes Application

(Continued)

Please be sure to read the following disclaimers and the VHCDC Community Investment Notes Prospectus prior to investing.

THESE SECURITIES ARE EXEMPT FROM FEDERAL REGISTRATION AND HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE FEDERAL OR ANY STATE SECURITIES COMMISSION PASSED ON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

COMMUNITY INVESTMENT NOTES ARE UNSECURED OBLIGATIONS AND ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED OR ENDORSED BY, ANY BANK, AND ARE NOT INSURED BY THE FDIC, SIPC OR ANY OTHER AGENCY.

VIRGINIA HOUSING AND COMMUNITY DEVELOPMENT CORPORATION ("VHCDC" or "the Corporation"), Community Investment Notes are issued by Virginia Housing and Community Development Corporation, a Virginia non-stock corporation established February 17, 2004. The Corporation is a 501(c)(3) nonprofit organization dedicated to the mission of educating, supporting, and promoting investment in minority-owned businesses and revitalizing distressed neighborhoods and disadvantaged communities.

COMMUNITY INVESTMENT NOTES (CI Notes) are issued to investors who invest for specific terms with the expectation of a fixed rate of return. CI Notes are subject to certain risks as disclosed in the prospectus, which should be read before investing. There are added risks associated with making loans and investments to minorities and disadvantaged businesses, such as insufficient collateral, poor credit, prior criminal record, tax-liens, and risks relating to political and economic conditions. While VHCDC has established criteria in order to determine which ventures are most likely to benefit from investments and still maintain their repayment obligations, and procedures have been put in place to monitor repayment progress, there can be no guarantee that the ventures will be able to make payments as scheduled. Community Investment Notes are senior to subordinated program related investments, guarantees, net assets and loss reserves. However, there remains some risk that defaults or untimely payments of loans may result in VHCDC having insufficient subordinated debt or loan loss reserves to satisfy all outstanding notes.

IMPORTANT NOTICE: The USA Patriot Act Federal Law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. When you purchase a Note we will verify the following information: name, address, date of birth, social security number, and potentially other identifying information.

Please make your check payable to:

Virginia Housing and Community Development Corporation or VHCDC

Mail this Application and your check to:

Virginia Housing and Community Development Corporation

Community Investment Note Program

445 N. MAIN STREET, #1574

SUFFOLK, VA 23439-0016