

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K

Current Report

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 12, 2016

Shepherd's Finance, LLC

(Exact name of registrant as specified in its charter)

Commission File Number: 333-203707

Delaware

(State or other jurisdiction of incorporation)

36-4608739

(IRS Employer Identification No.)

12627 San Jose Blvd., Suite 203, Jacksonville, FL 32223

(Address of principal executive offices, including zip code)

302-752-2688

(Registrant's telephone number, including area code)

None

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)**
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)**
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))**
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))**
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Item 1.01. Entry into Material Definitive Agreement

On January 12, 2015, Shepherd’s Finance, LLC (the “Registrant”) entered into the Third Amendment (the “Amendment”) to the Loan Purchase and Sale Agreement dated December 24, 2014 (the “Agreement”) by and between the Registrant and 1st Financial Bank USA (“1st Financial”). Pursuant to the Agreement, 1st Financial has the right, from time to time, to purchase from the Registrant senior priority interests based on the Senior Loan Amount (as that term is defined in the Agreement) in certain loans made to fund the vertical construction of one to four family residential dwellings, that have been approved by 1st Financial’s internal credit committee (referred to herein as “Eligible Loans”).

The Amendment modifies subsection (iii) of the definition of “Senior Loan Amount” to reflect that 1st Financial may purchase 60% of the maximum principal amount of certain Eligible Loans after deducting the loan fee. Prior to the Amendment, 1st Financial could purchase 50% of the maximum principal amount of certain Eligible Loans after deducting the loan fee.

The description of the Amendment above is qualified in its entirety by the Third Amendment to the Loan Purchase and Sale Agreement attached hereto as Exhibit 10.1 to this Current Report on Form 8-K. The description of the Agreement above is qualified in its entirety by the Loan Purchase and Sale Agreement attached as Exhibit 10.1 to the Registrant’s Current Report on Form 8-K filed December 29, 2014.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

10.1 Third Amendment to the Loan Purchase and Sale Agreement

Signature(s)

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SHEPHERD'S FINANCE, LLC

Date: January 19, 2016

By: /s/ Daniel M. Wallach
Daniel M. Wallach
Chief Executive Officer and Manager

THIRD AMENDMENT TO
THE LOAN PURCHASE AND
SALE AGREEMENT

THIS THIRD AMENDMENT TO THE LOAN PURCHASE AND SALE AGREEMENT entered into on December 24, 2014 (“Agreement”) by and between 1st Financial Bank USA, a bank chartered under the laws of South Dakota and having its principal place of business at 331 Dakota Dunes Boulevard, Dakota Dunes, SD (“1FB” or “Buyer”) and Shepherd’s Finance, LLC, a Delaware limited liability company and having its principal place of business at 12627 San Jose Boulevard, Suite 203, Jacksonville, Florida 32223 (“Shepherd’s” or “Seller”) is made this 12th day of January, 2016 (“Third Amendment”).

WHEREAS, the parties have heretofore executed and delivered the Agreement, as amended by the First Amendment to the Loan Purchase and Sale Agreement, dated January 15, 2015 (the “First Amendment”) and the Second Amendment to the Loan Purchase and Sale Agreement, dated August 6, 2015 (the “Second Amendment”); and

WHEREAS, the parties desire to amend the Agreement on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows.

1. **Defined Terms.** Capitalized terms used in this Third Amendment and not defined herein shall have the meanings set forth in the Agreement
 2. **Modifications.**
 - a. The term “Senior Loan Amount” as defined in Section 1.2 of the Agreement is hereby replaced in its entirety as follows:

“**Senior Loan Amount**” means the amount (expressed in Dollars) of the portion of an Eligible Loan purchased by Buyer. Unless another amount is set forth in the Loan Notification, such amount shall be equal to the lowest of (i) fifty-five percent (55%) of the Seller-approved value of the Property securing the Loan (as evidenced by an appraisal satisfactory to Buyer in all respects), (ii) Two Hundred Forty-Nine Thousand Nine Hundred Ninety-Nine and 00/100 Dollars (\$249,999.00), and (iii) sixty percent (60%) of the maximum principal amount of the Eligible Loan after deducting the loan fee.
 - b. Clause (i)(c) on page 2 of Exhibit A to the Agreement is hereby replaced in its entirety as follows:

(c) 60% of loan, less loan fee
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3. **Miscellaneous.** As amended by this Third Amendment, the Agreement shall continue in full force and effect. No variation, modification or amendment to the Agreement shall be deemed valid or effective unless and until it is signed by the parties hereto. This Third Amendment may be executed in counterparts, each of which once so executed shall be deemed to be original and all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date set forth above.

1st Financial Bank USA

Shepherd's Finance, LLC

By: /s/ Michael Maxwell

By: /s/ Daniel M. Wallach

Name: Michael Maxwell

Name: Daniel M. Wallach

Title: SVP

Title: CEO

[AMENDMENT NO. 3 TO THE LOAN PURCHASE AND SALE AGREEMENT]
