



# PERMACULTURE CREDIT UNION

Established: May 18, 2000

October 2005

**5th**  
Anniversary

## **Is the PCU a “Green Investment”?**

*By Vint Lawrence –Newsletter Editor*

A few months ago, member Larry London asked, “Can anyone describe what opportunities exist in the realm of “Green” investments and what role the Permaculture Credit Union (PCU) is playing in that arena?”

First and foremost, we are a credit union and that is dissimilar from any normal form of “green” investment. Beginning with the premise that ecologically aware and enlightened people want their resources to support growth and healing of the planet rather than exploitation and destruction of Earth’s ecosystems, we provide loans and financial services for people and projects that are consistent with the ethics of permaculture – “Care of the Earth, Care for people, Recycling surplus/no waste”. We are chartered to operate by these ethics and specifically to serve a membership that can subscribe to these values. We are a non-profit institution (501-c-14) that returns our “profit” to the membership as dividends and interest payments to depositors and reduced rates to borrowers on loans for “earth-friendly” projects. We exist as a financial institution to serve the permaculture community and our values, policies, and “assets” are generated by that same community. We were formed so as to pool the financial resources of this community and make them available to serve the needs of members as well as to help generate an economic model that expresses the shared values of permaculture.

Unlike banks and investment funds that are owned, controlled and funded by private capital investment, we are owned and democratically controlled by our members. Our operations are audited, regulated, and reviewed by the NCUA and NMFID who provide us with the charter to operate and insurance on our member accounts up to \$100,000. Few, if any, “green investments” are so regulated, governed, or insured. For all of these reasons, we are unique in the field. Our assets come from the community and are returned to serve and benefit the community.

The funds we have used to finance the start-up phase of the PCU have been raised as donations from private individuals and non-profit foundations. These funds amount to over \$200,000 that have been raised over a period of seven years and demonstrate the degree to which each of our donors, both large and small, have shared the vision of people regaining control over how their financial resources are used in the world and the purposes to which they are applied.

## **What shade of “Green”?**

The most important proof is in the numbers and what the money in the PCU is actually doing. So, lets do the numbers as of July 2005.

Since the inception of our loan programs in 2001, the PCU has made 252 loans representing over \$3.6 million in funds. Of this total, 101 loans (or 40%) have qualified for the sustainability discount. The dollar amount of these loans is \$2.39 million or 65.4% of actual monies loaned. A “snapshot” of the current loan portfolio taken in July 2005 reveals some even more startling figures. The portfolio of 142 loans, representing \$2.037 million, has 74 loans (52%) that qualified for the sustainability discount. These loans total almost \$1.68 million or over 82% of the actual dollars that are currently loaned out to members. Of this amount, almost \$1.2 million is allocated to 28 mortgages. 27 of which (97.5%) are for sustainable dwellings and projects that range from water catchment and energy efficiency improvements to strawbale houses, yurts, off-grid electricity generation and solar systems.

Other loans that are somewhat unique include three loans for biodiesel vehicle conversions, three for greenhouse construction, two for permaculture landscaping, and seven for various types of other ecological home improvements.

There are 62 auto loans in the current portfolio of which 37 (60%) qualified for a fuel-efficiency discount. The actual dollar value of these loans, \$472,750, is over 70% of the monies loaned for and secured by vehicles.

(continued on Page 3 – “Green”)

### **A Message from the CEO – Don Sarich**

When I was in third grade, one of my first experiences in caring about something other than myself was on Arbor Day, and we were learning what made this day special. We were taught about the important role that trees played in our ecosystem and how they used the sunlight and carbon dioxide to grow and give us back oxygen and many other things. The best part of the day was when the forest ranger brought us tulip trees to purchase and take home for ten cents. This was very exciting for a lot of us to make a difference with this small tree. I took the small tree home on the bus and ran in to ask my parents if I could plant the tree in our yard. My Dad spent a lot of time in our yard picking out the right trees that would provide shade for the house on hot summer days. I was afraid my little ten-cent tree might not be welcome. To my surprise, my Dad allowed me to plant the tree in the back yard next to the creek. Over the years the tree has grown. It is amazing to visit my parents now and go to the back yard and see this tree that has grown all during my lifetime. It makes me realize the connection we have with this place we call Earth.

This brings me to our credit union. Everyone that is involved in our special credit union is on a journey - from babies that don't even know they have an account to people well experienced in traveling the journey of life. When we open an account with the Permaculture Credit Union, it really is more than just a place to put our money. It is, like a tree, a living thing that we watch and nurture through life, so it can grow into a financial institution that will take care of generations and help to make a positive change in the lives of people who care more about others and the planet than themselves.

During the past year, we have tended and nurtured your credit union so that it is now much closer to the point of self-sufficiency. We could not have done this without our members making sacrifices, such as being willing to accept lower dividends on share accounts. Amazingly, these dividends are better than those offered by some well-known banks. We have seen such a strong demand in our real estate lending that we have had to partner with other credit unions so as to continue the program. This sometimes leads to much longer processing times than expected. We would like to thank the members for their patience and apologize to those who couldn't wait.

We will always listen to member concerns about our credit union. One small step is lowering the required savings balance to earn dividends from \$300.00 to \$50.00. (See notice on page 4.) We believe that a financial institution can care about others and share the surplus. We only charge fees when it actually costs the credit union to provide a service. Regarding real estate loans, we are very proud of charging members only what we have to pay to process the loan. We are fortunate that we have not had to write off any loans. If we can maintain that integrity in our loan portfolio, we can give back even more in the form of higher dividends on share accounts and lower rates on our loans.

We appreciate good communication between members and staff. The less time our staff has to spend calling members to remind them about payment due dates, the more time we can spend providing new loans to other members. All of this saves our credit union money that we can reinvest for you, our members. Over the next few years, we will continue to invest in technology that reduces our demand for natural resources and allows us to work smarter. As we start to realize operational efficiencies, we will be able to maximize the return to our members, and continue to grow our credit union to serve our members.

I hope everyone can see why it is important to be on this journey with us. It is about change, and, as our credit union grows, people will start to notice us more and more. We make a difference one member at a time. We have close to 772 members with 2.7 million dollars in assets and around 1.9 million dollars in loans. Think of the impact we can have as we pool our resources together to help others. Living in Northern Indiana, when I would recycle and look for ways to conserve and use less, I thought I was really alone. I now realize I am not alone, and our credit union is a place where we can share our knowledge and resources with each other. We can also show the world that, by practicing the ethics of permaculture, we can make a difference by taking care of the earth, taking care of people and reinvesting the surplus to help the earth and its inhabitants. Abiding by these core values will help many others see that this could be a much better place if everyone cared about each other as one big family. Thank you for being a member. We look forward to working with you and improving our services now and into the future.

Donald J. Sarich -President/CEO

### **Permaculture Intensive Course Offering**

The Permaculture Credit Union is sponsoring a two-day Permaculture Intensive Course on the weekend of November 19 and 20 at Ecoversity in Santa Fe, NM for PCU members, board, volunteers, and staff. Scott Pittman has agreed to contribute his time and considerable teaching talent to give the workshop for the benefit of the credit union and its members. Scott is a well-known, excellent teacher who has worked and taught with Bill Mollison and has been actively practicing permaculture for many years. The purpose of this course is to provide intensive exposure to the principles and practice of permaculture for PCU board members and staff who haven't had the opportunity to attend a full design course. This opportunity is open to credit union members as well. Classes will be held from 9AM to 5PM on both days with a 2-hour lunch break. PCU members will be charged a reduced rate of \$50 for the weekend. The classroom size will allow a maximum of 40 students to attend; registration will be limited on a first come-first served basis. Please call the PCU office in Santa Fe at 954-3479 (or toll free 1-866-954-3479) for details and to reserve your place in the course.

### **A PCU VISA CARD GIVES YOU ACCESS TO YOUR PCU SHARE ACCOUNT ONLINE - INTERNET BANKING ON A BUDGET**

If you use a PCU Visa card for purchases or cash access, you can now pay the bill directly from your PCU account. There is no fee and you can save penalty fees and interest charges, too. Go to the PCUonline.org website and click on the link to EZcardinfo.com. You will find a menu of options including "Pay bill online". Follow the instructions for payment. Use your account # at the PCU (this is simply the one to three digit number that is on your statement). The one additional piece of information you will need is the ABA routing number for the PCU - 107089584. At the end of the process you will receive a confirmation number of the transaction. This is a quick and easy way to access your funds at the PCU and it saves time for you and for the staff at the office. A Permaculture Credit Union Visa card is easy to apply for. Call 1-888-415-6154 or visit [www..myCUcard.com](http://www.myCUcard.com).

**Green- continued...** Surplus (non-loaned) cash represents 31 % of the total assets of the PCU. These funds are placed in short-term accounts and CD's with other credit unions. 21% of cash funds is placed in local credit unions, 34% is placed with other progressive, ethical, "socially conscious" credit unions and banks, and the remainder is in a "corporate" credit union (similar to a clearing house) to cover and facilitate funds transfers, interstate loan financing, and ACH transactions.

Perhaps the most amazing factor in our operation is that while we have loaned out a total of over \$3.6 million in four years, our default rate (the percentage of loans that are not paid back or are chronically delinquent) is an astoundingly low 0.18%. In real terms, this reflects the fact that no borrower of PCU funds has failed to pay back their loan and only one person out of the 252 who have borrowed your money has been delinquent for over 12 months. When compared to the national average of 2.56% (a fourteenfold difference), this clearly demonstrates the integrity of our field of membership and the extraordinary commitment we all have to creating an ethical permaculture economy. No wonder we were named one of the top-ten green financial institutions in the country! Now you know why!

### **MEMBER SERVICES**

*We are currently financing up to \$90,000 in loans per household. All rates are subject to change without notice*

**NEW & USED VEHICLE LOANS**

**SECOND MORTGAGE LOANS.**

**BICYCLE LOAN DISCOUNT**

**SIGNATURE LOANS**

**SHARE & CERTIFICATED LOANS**

**SECURED LOANS**

**SUSTAINABILITY DISCOUNTS**

**CREDIT CARDS**

We provide sustainability discounts for projects that are earth-friendly. The usual discount is .75% off our current loan rates. Call our office staff for details.

**DIRECT DEPOSIT**

Have funds directly deposited into the PCU from your paycheck or other financial institution. Pay your bills by having funds directly transferred from your PCU account. Pay your PCU credit card with ease online.

### **FINANCIALS:**

	<i>July '05</i>	<i>August '05</i>	<i>September '05</i>
LOANS	\$1,988,498	\$1,912,753	\$1,942,989
TOTAL SAVINGS	\$2,737,213	\$2,734,745	\$2,587,214
ASSETS	\$2,835,717	\$2,834,918	\$2,685,625
MEMBERSHIP	762	766	772



# Permaculture Credit Union

Office Location: 4250 Cerrillos Rd., 2<sup>nd</sup> Floor,  
Santa Fe, NM 87507

Mailing Address: PO Box 29300,  
Santa Fe, NM 87592-9300

Toll Free: 1-866-954-3479

Phone: (505) 954-3479

Fax: (505) 424-1624

Web Site: [WWW.PCUONLINE.ORG](http://WWW.PCUONLINE.ORG)

Email: [PERMA@PCUONLINE.ORG](mailto:PERMA@PCUONLINE.ORG)

## Office Hours

Monday – Friday 10:00am – 2:00pm

### Loan Request

Monday – Friday 9:00am – 5:00pm

Or by appointment for member convenience.

## Management & Staff

Donald J. Sarich

*President/CEO*

Eileen Banashek

*Bookkeeper*

Willina M. Martinez

*Member Services Representatives*

## Board of Directors

Nora Haskins – Chair

Hugh Roberts – Vice Chair

Donal S. Kinney – Treasurer

Susan Coulter – Secretary

Edward L. McMillen – Director

Wesley Roe – Director

Allan Sindelar – Director

## Supervisory Committee

Carolyn Agard – Chair

Joseph Ellis – Member

Elizabeth Martin – Member

Phil Vergamini – Member

## Permaculture Credit Union Mission Statement

We pool the financial resources of the people who believe in the Ethics of Permaculture and strive to redirect those resources to Earth friendly and socially responsible loans and investments. The Permaculture Credit Union promotes thrift among its members and provides credit at reasonable rates. It creates the opportunity for members to control the use of their money and contribute to the revitalization of their community and the planet.

## What is Permaculture? – (an ongoing feature of the Newsletter)

" Permaculture is a way of life which shows us how to make the most of our resources by minimizing waste and maximizing potential. Living ecologically doesn't mean giving everything up, but relearning the value of nature & understanding new ways of being wealthy...Conscious design of a lifestyle which is highly productive and does not cause environmental damage.....Meeting our basic needs & still leaving the Earth richer than we found it. " - *Graham Bell*

## Dividends for Every Member !!!!

Beginning October 1, 2005, our minimum required balance for receiving dividends will be lowered from \$300 to \$50. We have many charter members who have less than \$300 in their share accounts. Dividends for every member is our way to say “thank you” for your loyalty and to recognize the folks that have helped us along the way. The strength of this credit union is it's people. It is important that the PCU always be rooted in that truth and act accordingly. We are different from other financial institutions and we will always focus on our members first.

**Board of Directors – Changes:** Ann Norton and James Stark have both stepped down as directors. Ann, a new board member this year, has decided to leave due to time constraints. James has been on the board for over four years. Our thanks to James for his wisdom and commitment in helping to guide the early growth of the credit union. We wish them both luck in their future endeavors. The board is now reduced to seven members.

## Slogan Contest Winner Announced –

Member Joseph Ellis is the winner of the slogan contest. His winning slogan is "**Adding ability to sustainability**" and will be used along with existing slogans as appropriate. Thanks to all who participated.

## Holiday Closings:

**Veteran's Day**

Friday, November 11, 2005

**Day after Thanksgiving Day**

Friday, November 25, 2005

**Thanksgiving Day**

Thursday, November 24, 2005

**Christmas Closing**

Monday, December 26, 2005

Your savings insured to \$100,000

**NCUA**

National Credit Union  
Administration

a U.S. Government Agency



EQUAL HOUSING  
OPPORTUNITY

## Privacy Policy:

**We do not disclose any non- public information about our members to anyone except as permitted by law.**

## Just a Reminder from the Supervisory Committee:

PLEASE notify the Credit Union of any changes to your address or phone number. We want you to receive your statements and information about our services.