



PERMACULTURE CREDIT UNION

OFFICE LOCATION: 4250 CERRILLOS ROAD, 2nd FLOOR, SANTA FE, NM 87507

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WEB SITE: WWW.PCUONLINE.ORG EMAIL: PERMA@PCUONLINE.ORG

Established: May 18, 2000

September 2004

Credit Unions are Money CoOps ! The History of Credit Unions

The first cooperative was organized in 1844 by a group of workers in Rochdale, England. That same year in Germany, Victor Aime Huber developed some of the early European cooperative theories. The idea of credit societies was a part of this effort. The credit union idea is a simple one: People should be able to pool their money and make loans to each other.

In 1849, Friedrich Wilhelm Raiffeisen founded a credit society in Flammersfeld, Germany, but it depended on the charity of wealthy men for its support. Hermann Schulze-Delitzsch and Raiffeisen created the first true credit unions in Germany in 1852 and 1864. The credit union organized by Raiffeisen operated on principles still fundamental today.

In 1871, credit union legislation was considered in Massachusetts-- but 19th century attempts to start U.S. credit unions weren't very successful.

The first state credit union act was passed in 1909 in Massachusetts with the help of Edward A. Filene, a Boston merchant. In 1921 Filene created the Credit Union National Extension Bureau and hired a Massachusetts attorney, Roy F. Bergengren, to help him. Bergengren and the Bureau sought effective credit union laws in all states and at the federal level. When Bergengren began his efforts, there were only 199 U.S. credit unions, but during the next 13 years, the credit union movement grew dramatically.

Filene poured more than \$1 million of his own money into the project. Bergengren appeared before state legislators, laws were passed, and volunteer organizers were initiated into the "movement." By 1925, 15 states had passed credit union laws; 419 credit unions were serving 108,000 members. By 1935, 39 states had credit union laws and 3,372 credit unions were serving 641,800 members.

By 1934, credit unions and leagues recognized the need for a national organization. At a meeting at Estes Park, Colorado, the Credit Union National Association (CUNA) was formed as a confederation of state leagues.

In the same year, Congress finally passed a federal credit union act, which permitted credit unions to be organized anywhere in the United States. The legislation allowed credit unions to incorporate under either state or federal law - a system of dual chartering that persists today. The Permaculture Credit Union was incorporated under state law.

PCU goes "Climate Neutral"

Permaculture Credit Union strives to do all it can to be sustainable in its business practices, including energy use. Since we do not have our own building site, erecting a wind turbine or installing solar panels on the building to meet our energy needs are not viable options. We researched alternatives and elected to purchase renewable energy credits, or "green tags", to match and offset its total energy-related CO2 footprint.

We aren't purchasing electricity directly from a renewable or "green" energy project - in this case from the Rosebud Sioux Tribe wind farm in South Dakota - but we are achieving the exact same environmental benefits. Because PCU's green tag purchase from NativeEnergy supports the wind farm project, PCU's energy-related environmental impact is the same as powering our office entirely with 100% wind-generated energy.

"NativeEnergy was a perfect fit for Permaculture, allowing us to take responsibility for our CO2 emissions and to match what our members are doing in their lives with the way we are doing business," says PCU's Donald J. Sarich, President & CEO. "We are proud to help our customers get the credit they deserve for caring about the environment", he says.

Supporting renewable energy projects is very much in line with Permaculture's philosophy. Wind power is compatible with Native American life and with wildlife, farming, ranching, buffalo and economic restoration, and other beneficial land-use activities. It is a clean way to produce electricity without flooding tribal lands or digging up the Earth and burning coal, gas, and oil. Tribally-owned wind energy projects can also have a significant impact in the reduction of global warming and economic restoration for indigenous people.

If you would like more information about NativeEnergy and the Rosebud Sioux Tribe wind farm in South Dakota go to their web site at www.nativeenergy.com.

Member Profile – John McAndrew

John McAndrew has the first utility-intertied solar photovoltaic power system in El Dorado, a residential community near Santa Fe, New Mexico historically known as the most passive solar development in the U.S. He moved there three years ago to attend St John's College in Santa Fe after a 15-year career as a sales representative for a book publisher. "I've always thought that I should leave each house a little more energy-efficient than when I bought it," he says. "The house in El Dorado was already passive solar. Given the tradition here, going active solar was the first step when I began to plan improvements."

John has a one-kilowatt solar array on his roof, feeding a Sunny Boy inverter. He had a second set of mounting rails installed to allow him to easily double his array as he can afford it. John's system cost \$12,370 including installation, and has an expected output of 1,480 kilowatt-hours per year with seasonal adjustment of the array. With minor efficiency and lifestyle changes, John is currently meeting about 30% of his electricity needs with his system.

John financed his PV system through the Permaculture Credit Union. He took a portion of his retirement savings out of the stock market and put it into the PCU as a Share Deposit. He then took out a share-secured loan at an interest rate 3% over what he was being paid by the PCU for his share account. The loan paid for the PV system.

"The PCU was a new institution that I wanted to support. They were actively seeking to finance energy-efficient and energy-independent projects like mine. By putting some of my retirement savings in the PCU, I was able to support the credit union, put PV on my home, and finance my system at a low rate, all while making my investments more socially responsible. This arrangement let me put the PV system to work now, rather than waiting for years until I had saved the money for it. Instead of laying out \$12,000 all at once, I only have to pay \$270 a month to become actively solar powered."



Sustainability Discounts

John chose a Share Secured loan for his PV system, but we also provide sustainability discounts for projects that are earth-friendly. This includes installation of solar panels or water catchment systems, xeriscaping your yard, insulating your home, installing energy efficient windows, purchasing an energy efficient vehicle and other projects. The usual discount is .75% off our current rates. Call our office staff for details.

ATTENTION: PCU MEMBERS

**MEMBERS WILL BE ABLE TO APPLY FOR A PERMACULTURE CREDIT UNION VISA CARD
STARTING OCTOBER 26, 2004
TO APPLY, CALL 1-888-415-6154 OR www.myCUcard.com**



Special Rates for Hybrids as follows:

A+ Credit 4.75% APR*
A Credit 5.75% APR*
B Credit 7.75% APR*
C Credit 10.25% APR*

Offer good from 10-1-04 — 12-31-04

*** For qualifying members.
Rates and terms subject to change.**

Attention: PCU Members

It's PCU's 4th Year of Operation.

**To celebrate, we are offering a
special loan rate to members.**

**4th Year Hybrid Loan Special
(Purchase or Refinance a Hybrid
Vehicle that gets 45 mpg or more).**

Get Pre-Approved as soon as possible.

PERMACULTURE CREDIT UNION

RATES AND LOAN TYPES

(Currently we can finance up to \$70,000 in loans per household.)

All rates subject to change.

Bring your vehicle loan home to PCU

**NEW & USED
VEHICLE LOANS**

A+ Credit 7.00% APR
A Credit 8.00% APR
B Credit 10.00% APR
C Credit 12.50% APR

Fuel Efficiency Discounts

Average MPG 35 or > .75% off APR
Average MPG 45 or > 1.50% off APR
Electric Vehicle 2.00% off APR
Alternative Fueled Vehicle 1.00% off APR

SECOND MORTGAGE LOANS

Up to 72 months 73 – 120 months

A+Credit 6.75% APR 7.75% APR
A Credit 7.75% APR 8.75% APR
B Credit 8.75% APR 9.50% APR
C Credit 9.75% APR 10.75% APR

Up to 90% of appraised value,
less the balance of your existing mortgage.

SIGNATURE LOANS

A+ Credit 10.75% APR
A Credit 11.75% APR
B Credit 13.75% APR
C Credit 16.25% APR
A+, A, B up to \$5,000, C up to \$3,000
Up to 48 months

Bicycle Loan Discount:
3.00% off APR

SHARE AND CERTIFICATE SECURED LOANS

3.00% APR + Share or Certificate Rate
Up to 60 months

Don't forget our Automated Clearing House transactions

- ✓ 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



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Email: 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
Michelle Lowrie
Accounting Manager
Lucinda A. Sydow
Willina M. Martinez
Member Services Representatives

Board of Directors

Susan Coulter – Chair
Taylor Selby – Vice-Chair
Donal S. Kinney – Treasurer
Sebia Hawkins – Secretary
Ed McMillan – Director
Winona Nava – Director
Allan Sindelar – Director
James Stark – Director
Wesley Roe – Director

Supervisory Committee

Carolyn Agard – Chair
Nora Haskins – Member
Amy Brown – Member
Joseph Ellis – Member

Your savings insured to \$100,000

NCUA
National Credit Union
Administration
a U.S. Government Agency

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.

Attention Members:

The Permaculture Credit Union is temporarily not offering new share certificates. We will make certificates available again in the future. If you have any questions, please feel free to contact us toll free at 1-866-954-3479 or locally at 505-954-3479. Thank you for your understanding.

Holiday Closings:

Columbus Day
Monday, October 11, 2004

Veteran's Day
Thursday, November 11, 2004

Thanksgiving Day
Thursday, November 25, 2004

Day After Thanksgiving Day
Friday, November 26, 2004

Christmas Eve Day
Friday, December 24, 2004

New Year's Eve Day
Friday, December 31, 2004

Martin Luther King Jr Day
Monday, January 17, 2005

The World Council of Credit Unions approved these nine International Credit Union Operating Principles in 1984.

1. Open and Voluntary Membership
2. Democratic Control
3. Non Discrimination
4. Service to Members
5. Distribution to Members
6. Building Financial Stability
7. Ongoing Education
8. Cooperation among Cooperatives
9. Social Responsibility

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.



Privacy Policy: We do not disclose any nonpublic information about our members and former members to anyone, except as permitted by law.