



COOPERATIVE FUND of New England

Definition of a Cooperative

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

Values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity.

Visit us on line at www.cooperativefund.org or www.coopfund.coop to learn about our borrowers; print out our loan application; download our prospectus; and find links to our borrowers, other community development organizations, socially responsible investing sites, and cooperative business assistance sites.

OUR MISSION

CFNE advances community-based, cooperative, and democratically owned or managed enterprises with preference to those that serve low income communities through:

- provision of prompt financial assistance at reasonable rates;
- provision of an investment opportunity that promotes socially responsible enterprise; and
- development of a regional reservoir of business skills with which to assist and advise the above groups.

Loans Approved and Funded



Renew Building Materials & Salvage in Brattleboro, VT

Green living, green building, green investing are all part of the latest trends. CFNE, its investors, and its borrowers have always been ahead of the trend. CFNE borrowers have been working for and conscious of green practices for years. Examples of some of CFNE's most recent green oriented borrowers include Renew Building Materials & Salvage which has a team to deconstruct buildings and salvage materials. Those materials are for sale at their store in Brattleboro, VT. The new River Valley Market in Northampton, MA, will be a green building. Re-use of the gravel from the quarry in the lot on which the building is rising is only part of their green building's plans.

Interval Center's compost project in Burlington, VT, has been funded with a CFNE seasonal line of credit. Common Fire Foundation's new building in Tivoli, NY, was cited as the most energy-efficient house in the eastern United States. Cleanscape in Providence, RI, is a paper recycler and landscaping company specializing in green roof design and construction.

In 2007 we continue to make lots of loans, many of them to socially responsible and green groups. We have funded twenty-three loans year to date totalling \$787,000 with another \$269,000 in loans approved and awaiting funding. Our creative financing, lines

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Outreach and Conference News

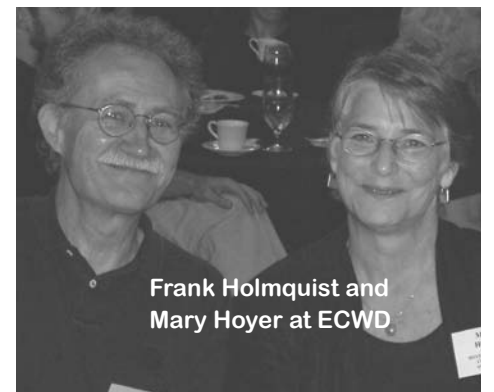
The 4th biennial **Eastern Conference for Workplace Democracy (ECWD)** was held, July 20th-22nd, at the University of North Carolina in Asheville, NC. ECWD, which focuses on worker cooperatives as a development strategy for stabilizing and energizing communities, is affiliated with and pre-dates the U. S. Federation of Worker Co-ops (founded in 2004).

More than 145 attendees took workshops in Creating Democratic Workplaces, Managing and Financing Democratic Workplaces, and Building the Workplace Democracy Movement—and there were many spontaneous discussions.

CFNE personnel were well represented at ECWD. CFNE's Southwest Outreach Coordinator Mary Hoyer was the lead organizer for the event. Board President Erbin Crowell, Executive Director Rebecca Dunn, and Southeast Outreach Coordinator Mary O'Hara presented and facilitated workshops on domestic



ECWD attendees at UNC-Asheville



Frank Holmquist and Mary Hoyer at ECWD

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October is Co-op Month. What better way to celebrate than to announce the launch of CFNE's new Cooperative Capital Fund (CCF). A launch event is scheduled for October 19th from 5:00 to 7:00 PM in Boston and I look forward to seeing CFNE supporters, borrowers, investors and friends. Please try to attend.

Our efforts to get the word out about CFNE and CCF have picked up, and we are looking for investors for both funds. We are looking for investors, first loss investors, and donors. Please consider these options. We will use donations to match funds received from the U.S. Treasury CDFI fund. We are thrilled to be a recipient again this year of another CDFI Fund grant that will help capitalize the CCF,

CFNE has continued to grow and has almost \$6 million in assets. We have lent out more than \$14 million in more than 400 loans.

Our representation at various cooperative events and conferences as reported in this newsletter is commendable as we are striving to participate actively in the New England cooperative community and economy.

At the annual meeting in October, new Board members will be welcomed. We thank Jane Livingston and Apple Ahearn for their service, and know that they will still bring CFNE into their work with cooperatives going forward. We also welcome Brenda Pfahnl back to the outreach team.

I encourage you to visit our website frequently. It will be updated with our activities and the occasions when CFNE is mentioned in the press. I hope you like the site.

When making your end of the year contributions, please keep CFNE in mind. Your money will be doubled with the CDFI fund match. Thank you for your continued support and Happy Co-op Month!..

— REBECCA DUNN

To view a video featuring CFNE Board President and for more information on Co-op Month, visit www.gocoop.coop

..... Keeping You Up-to-Date

PEOPLE AT CFNE

We will welcome new Board members with the October annual meeting. Jane Livingston and Apple Ahearn have finished their terms although they will remain as advisors and friends to CFNE. New Board member candidates include John Abrams, Jen Gutshall, and Don Kreis. John is president and CEO of South Mountain Company, a worker-owned construction company in South Tisbury, MA. Don is an attorney and president of Hanover Food Co-op's board in Hanover, NH, and Jen is the executive director of Cooperative Development Institute in South Deerfield, MA. Additional background information will follow in another newsletter but is available on our website: www.coopfund.coop.



John Abrams, South Mountain's president has joined the CFNE Board

We welcome back Brenda Pfahnl to our outreach team. Brenda previously worked for CFNE before her children were born. Now that Steffen is starting kindergarden, we are happy to have Brenda helping with outreach in New Hampshire and Vermont. Klara Grape former Northwestern Outreach Coordinator is no longer with CFNE. In the interim Linda Gallagher has been a temporary outreach person in Vermont, operating from her home in Canada. Our virtual office system is in use and working well for our team.



Brenda Pfahnl, CFNE's new outreach person

CFNE INVESTORS:EQ2

CFNE has received two new EQ2 investment loans. EQ2 is an equity equivalent investment that is a subordinated, longer term loan that will allow CFNE to offer more flexible terms to its borrowers. We are excited to note that both Calvert Foundation and Monarch Fund have recently made EQ2 investment loans to CFNE. In addition, the New England Yearly Friends Meeting (Quakers) has renewed and increased its social investment loan to CFNE. We still need additional investors, so please consider increasing your loan or recommending CFNE to others.

EQUITY PRODUCT:
COOPERATIVE CAPITAL FUND
SAVE THE DATE: BOSTON 10/19 5-7 PM



CFNE is launching the Cooperative Capital Fund (CCF) on October 19, 2007. We are gathering CFNE's board, borrowers, investors and friends to share in the launch at 138 Tremont Street (right accross from the Boston common), home of the Pelham Fund and Episcopal City Mission, 10 year investor in CFNE and provider of a catalyst grant that started the creation of CCF. The event will be a convergence of cooperators from Boston and beyond. The CCF board includes full representation of the cooperative and worker-ownership communities. Initial fundraising is underway and a prospectus is available. Although supported by the Cooperative Fund of New England, CCF is a separate corporate entity. At its June meeting, CFNE's board agreed to use its own funds to make a \$50,000 investment in CCF; \$40,000 as an investment and \$10,000 as first loss money to help protect future investors. Contact us if you would like to be a founding investor.

www.coopfund.coop update

Our new website is up and running. Visit the site to read about our curent and past borrowers, CFNE in the press, and other relevant news between newsletters. Revolving photos of borrowers plus a new design definitely update our 13 year old site. The new site was developed by worker collectives, Brattleboro Tech Collective and Design Action Collective, and is being hosted by the Gaia Host Collective.

BOARD OF TRUSTEES

Erbin Crowell, *President*
Brenda Pfahnl, *V. President*
Andy Danforth, *Clerk*
Tim Wingate, *Treasurer*
Elizabeth Ahearn
Rebecca Dunn
Cory Greenberg
Mary Hoyer
Jane Livingston

BOARD OF ADVISORS

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Linda Gallagher
Don Schramm
Marc Reich
John Talvacchia
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Phebe Quattrucci
Northeastern New England Outreach Coordinator
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If you would like to be added to CFNE's mailing list or would like information about either investing in or borrowing from CFNE, please email us at

cfne@cooperativefund.org

US Treasury CDFI Fund Awards Grant to CFNE

For the second year in a row the US Treasury Community Development Financial Institution (CDFI) Fund has made an award to CFNE. This year's award will help capitalize the Cooperative Capital Fund and provide technical assistance funds for CFNE's launch and marketing of the new patient capital, equity like product. (For information on CCF see page 2.) The CDFI Fund invests in certified CDFI's that demonstrate they have the financial and managerial capacity to: 1) provide affordable and appropriate financial products and services that positively impact their communities; 2) be viable financial institutions; and 3) use and leverage CDFI dollars effectively. CFNE will need to raise grant funds to match the CDFI funds.

Borrower News

Some of CFNE's borrowers have been identified with superlatives lately.

Collective Copies has been selected to be one of the most democratic workplaces in the world, according to WorldBlu (www.worldblu.com). According to Steve Strimer, "We at Collective Copies are pleased to be included in the list with other large ESOP companies, but it is important to keep the idea of true worker-ownership on the agenda. We need to look at what real workers' rights are about." Collective Copies has opened a location in a building they bought in Belchertown, MA, bringing their operations to three stores in the Pioneer Valley of western Massachusetts.

Another CFNE borrower, Common Fire Foundation in Red Hook, NY, has been recognized as one of the most Green Builders ever. It is cited as the most energy-efficient house in the eastern United States. See our website www.coopfund.org for more details and a link to the article. Common Fire Foundation's housing co-op was built by the organization to create a place where people could come together to work, learn from one another, and, through the cooperative living arrange-



Collective Copies' new location in Belchertown

ment, enhance everyday life by sharing of expenses and responsibilities. "This is a home for people who are already doing valued work in the world to be able to live and continue that work in a nurturing environment," said Kavitha Rao, a cofounder of Common Fire Foundation and a resident of the co-op with her husband, Jeff Golden.

USDA Approves CFNE for B&I Program Regionwide

In an unprecedented decision the USDA has agreed to provide CFNE with eligible lender status in all of the New England states. Previously CFNE was approved only in Connecticut. The USDA Business and Industry guarantee program will allow CFNE to work with the USDA to provide loans and to promote understanding and use of the cooperative form of business as a viable organizational option for marketing and distributing agricultural products. Like CFNE, the USDA's goal includes the effective use of cooperatives to improve the area's economic well-being and quality of life.



Coming soon:

Brenda Pfahnl will present at the annual meeting of the Financial Innovations Roundtable on October 4th and 5th in Manchester, NH which is organized by School of Community Economic Development at Southern New Hampshire University at Manchester, NH and sponsored by the Fannie Mae Foundation and the F.B. Heron Foundation.

Information about CFNE will be available at the National Association of Housing Cooperatives Annual Meeting on September 24th in Miami, FL, thanks to Community Economic Development Director Al Smith from the City of Bath, ME. After working with CFNE on the financing of the Oak Street Housing Co-op in Bath, ME, Al agreed to let others know about the availability of loans from CFNE. Now that's cooperation!

In late November (date to be announced) watch for the first in a series of workshops on developing co-ops at the Caribou Unitarian Universalist Church in Presque Isle, ME. CFNE's Maine outreach person Phebe Quattrucci will help organize the series in Aroostook County, ME. For more information see www.maine.cooperative.org. Workshops are planned that will include the present economic condition of Aroostook County, co-op basics, financing for people with initiative and little money, and business/marketing plan development.

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Save the date: CFNE co-op convergence in Boston October 19th 5:00-7:00 PM 138 Tremont St. CFNE presents and launches the Cooperative Capital Fund

Loans Approved and Funded

FROM PAGE 1



River Valley Market manager Rochelle Prunty and Cummings Constuction manager Bryan Lang discuss the new green building.

of credit, term loans, and hybrid loans are a welcome means of accessing credit.

Loans made in 2007 since our spring newsletter include: \$30,000 to **Deep Root Organic Truckers Co-op** in Johnson, VT, for spring season working capital; \$50,000 advance to **Collective Copies**, a worker-owned copy store in Florence, MA, on its line of credit; \$10,000 to **Massachusetts Woodlands Co-op**, a hard wood producer/farmer cooperative in South Deerfield, MA, for working capital; three advances totalling \$85,000 to **Belfast Food Co-op** in Belfast, ME, for store renovations; two advances totalling \$50,000 to the **Flynn Avenue Housing Co-op** in Burlington, VT, for common space repairs and renovations; \$6,000 to **Dollars and Sense** in

Boston, MA, a nonprofit collective publisher of a magazine addressing economic justice, for working capital; and \$10,000 line of credit advance to **Renew Building Materials**, a nonprofit in Brattleboro, VT, that deconstructs houses and recycles materials. A loan will soon be funded to the **Oak Street Housing Cooperative** in Bath, ME.

We received full loan repayment from **We Care About Homes** in Beverly, MA; **Red Tomato** in Canton, MA; and **Community Children's Center** in Storrs, CT.



Intervale compost operation in Burlington, VT

Conference News

FROM PAGE 1



From left to right: Chris Clamp (Southern New Hampshire University), Margaret Lund (North Country Development Loan Fund), and CFNE's Mary O'Hara

fair trade, finance, lending, and managing enterprise growth.

On June 12th Mary O'Hara represented CFNE at the **Episcopal City Mission Annual Meeting** in Boston, MA. Phebe Quattrucci helped plan the **New Hampshire Cooperative Enterprise Conference** held on June 15th in Manchester, NH. **Concord Food Co-op**, a CFNE borrower was highlighted and the event was cosponsored by CFNE, Cooperative Extension Service, Cooperative Development Institute, and Southern New Hampshire University.