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CFNE News

Winter 2012

Volume 6, Issue 1

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.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

In 2011 CFNE continued to experience strong loan volume and demand. For the year ending 12/31/11 we made 45 loans to 28 different borrowers. The loans funded totalled more than \$2.5 million. This brings the total number of loans made since CFNE's inception in 1975 to 599 totaling almost \$26 million.

Initial impact reporting indicates that the loans made in 2011 resulting in the creation or retention of 602 jobs and 247 units of affordable housing.

Loans made in 2011 varied in size from \$1,500 to \$725,000, and include new and past borrowers, start-ups, and well established cooperatives.

Recently made loans include \$3,000 to **Green Mountain Spinnery**, a worker cooperative in Putney, VT, for working capital; \$20,000 to **Pelham Auto**, a worker owned auto repair shop in Belchertown, MA, for cash flow needs following the season's surprise and damaging fall snow storm; \$175,000 to **Red Sun Press**, a worker co-op in Boston, MA, for mortgage financing; \$10,000 to **Local Sprouts**, a worker owned cafe and catering business in Portland, ME, for working capital; \$75,000 to **Homestead Manufactured Housing Co-op** in St. Albans, VT, for infrastructure and water system repairs; \$725,000 to **Concord Food Co-op** in Concord, NH, for store expansion and renovations; \$5,000 to **Crop Circle Kitchen**, an incubator community kitchen in Boston, MA, for working capital; \$40,000 to **Collective Copies**, a worker owned multilocationed copy store in Florence, MA, for debt restructure; \$3,000 to **Energia LLC**, a multistakeholder energy auditing co-op in Holyoke, MA for cash flow needs; \$3,935 to **Land for Good**, a nonprofit supporting sustainable land use and farm succession in Keene, NH for working capital; \$30,000 to **Brattleboro Food Co-op** in Brattleboro, VT; as part of our member participation loan program; \$12,000 to **Fare Share Food Co-op** in Norway, ME, for working capital; and \$10,000 to **Renew Building Materials and Salvage**, a nonprofit deconstruction company that sells the building materials in Brattleboro, VT, for cash flow assistance.



Deep Root Organic Co-op members in Johnson, VT



Renovations on the Concord Food Co-op storefront in Concord, NH



Red Sun Press worker owners in Boston, MA

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Happy new year 2012 and happy International Year of the Cooperative! We join cooperatives world wide in celebrating 2012 as the United Nation's designated International Year of the Cooperative (IYC). Cooperatives are finally being recognized as a business model that works and offers an economic solution.

As I have often said, cooperatives are a part of the economy that generally grow and develop in down times. People find themselves willing to cooperate to meet a specific economic need. Many of our borrowers have not only survived the economic downturn but have thrived.

For CFNE 2011 was an incredibly successful year. We raised over \$5 million in funds from 50 investors and grantors from a variety of sources including US Treasury CDFI Fund, SBA, the faith based and cooperative community, and individuals. We experienced the continued high repayment rate of our borrowers and renewal rate among current investors.

The past year has been tremendous for CFNE lending. Despite conventional credit tightening, we continue to lend money. In 2011 we made almost \$2.5 million in loans. Many borrowers thrived and new co-ops opened. Only two borrowers closed their doors. However; by maintaining our prudent lending practices and reserves, CFNE's loan loss will remain minimal and investors are fully protected.

In addition, the independent outside CARS™ rating program renewed our good rating.

We have made full use of all your social investment loans and we thank you. Please let us know if you have any feedback for us and as always many thanks for your continued help and support.

— REBECCA DUNN

PEOPLE AT CFNE

We are very pleased to introduce our new Northeast Loan and Outreach Officer Gloria LaBrecque, who will provide CFNE outreach services in Maine. Gloria lives in Portland, ME and comes with extensive credit union and marketing experience. She will assist CFNE with its marketing plan and has already begun attending co-op related events for CFNE. She says, "I am thrilled to be part of a great organization that promotes the growth of co-ops. I've met terrific people so far and I look forward to joining the positive spirit involved in the larger cooperative movement".



Gloria LaBrecque

In addition, our back office accounting is now being handled by Regan Dumas, CPA who assisted in the conversion to our new Portfol loan and investor tracking system. Regan will be posting cash receipts and maintaining the records in our Wilmington, NC administrative office.



Regan Dumas

CFNE Investors

CFNE has never had any "big check" events or pictures in its news and yet in the past few months we have had two such opportunities. An SBA event in Boston and a Cooperative Development Foundation presentation in Washington, DC, provided two "photo ops". The SBA intermediary lending program chose CFNE as a recipient of long term low cost funds (see picture to the right) and the Bowers Fund, managed by the Cooperative Development Foundation, approved a grant to CFNE for its healthy food financing program promoting low income community membership in food co-ops (see picture to the left in "from the Executive Director").



Betsy Black and SBA representatives

New investment loans have recently been received from Mission Hill Health Movement, the Seton Enablement Fund, and twelve individuals. We were also chosen as an awardee from Create Jobs for USA, a collaboration between Starbucks and the Opportunity Finance Network (www.createjobsforusa.org).

2012 International Year of Cooperatives

COOPERATIVE CAPITAL FUND of New England

COOPERATIVE CAPITAL FUND

The Cooperative Capital Fund (CCF) has placed funds in seven cooperatives to date and has reached break-even operations. An investment loan was made to Warrenstreet Architects, a worker owned architectural firm in Concord, NH, and funds have been committed to Honest Weight Food Co-op in Albany, NY, for its move and expansion. CCF's goal is to augment CFNE's current loan services by providing new capitalization options that perform like equity without changing a co-op's member-owned and member-controlled uniqueness. The Cooperative Capital Fund is considered a successful experiment for CFNE.

Warrenstreet Architects, Inc. worker owners

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To be added to our mailing,
list, to invest in, or
to borrow from CFNE,
email:cfne@coopfund.coop
Look for us on Facebook



CFNE board and staff during a break in December, 2011 strategic planning session hosted by Sawyer Hill Cohousing in Berlin, MA

CFNE Progress Report

Investments as of 12/31/11

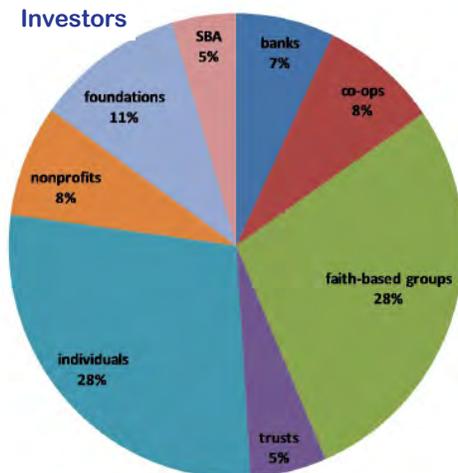
New investments received in 2011	\$2,441,600*
Total investments outstanding 12/31/11	\$8,753,453*
*excluding \$3.5 million grant from US Treasury CDFI Fund	
Average individual investment	\$16,318
Number of individual investors	128
Average institutional investment	\$99,072
Number of institutional investors	68
Investor dollars lost since inception	0



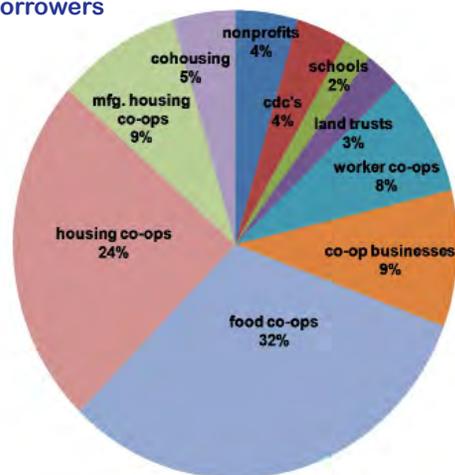
Loans as of 12/31/11

	<u>2011</u>	<u>Since Inception</u>
Loans made	45	559
Dollars disbursed	\$2,458,338	\$25,945,240
Loan loss	\$0	0.8%
Loans repaid	\$1,370,825	99.2%
Average loan in 2011	\$54,630	\$46,414
Smallest loan in 2011	\$1,500	\$400
Largest loan in 2011	\$725,000	\$750,000
Jobs created/retained	602	7719
Affordable housing created/retained	247	4392

Investors



Borrowers



Administrative office address:
5533 Peden Point Rd.
Wilmington, NC 28409

Return Service Requested

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The Cooperative Fund of New England (CFNE) was founded in 1975 by co-op activists and social investors to provide financial and technical assistance to food cooperatives. Since then, the organization has expanded its focus, offering development loans and technical assistance to a wide range of co-ops and nonprofit groups that share CFNE's vision of equality, justice, and social responsibility. A "virtual" organization, CFNE serves the New England region through an administrative office in North Carolina and four outreach offices in New England. CFNE is well rated by CARS™

Loans Approved and Funded

FROM PAGE 1

Other loans made in 2011 include:

- **Boston Trailer Park**, in Boston, MA to establish its low income membership assistance pool;
- **Operation Hope** in Fairfield, CT, a nonprofit that assists residents in need of food and shelter, for working capital;
- **Wamsutta Manufactured Housing Co-op** in North Attleboro, MA, for property purchase costs;
- **Deep Root Farmers' Cooperative** in Johnson, VT, for seasonal working capital and warehouse construction;
- **Warrenstreet Architects**, a worker-cooperative in Concord, NH for company debt restructure;
- **Oak Street Housing Co-op** in Bath, ME, for renovations;
- **Brown Association for Student Cooperative Housing (BACH)**; a student housing co-op in Providence, RI, for property renovations;
- **Hartbeat Ensemble**, a community theater company in Hartford, CT, for working capital;
- **Brattleboro Holistic Health Center**, a worker co-op in Brattleboro, VT for conversion to worker ownership;
- **Community Development Corporation of Southeast MA** in New Bedford, MA, for its micro loan program;
- **Stone Valley Market** in Poultney, VT for start-up costs;
- **Dollars and Sense** in Boston, MA, for seasonal working capital;
- **Institute of Environmental Awareness (IEA)** in Petersham, MA, for working capital and planning costs;
- **FEDCO Seeds** in Waterville, ME for property acquisition;
- **Franklin County DIAL/SELF**, a community nonprofit sup-



- port at risk youth in Amherst, MA, for property construction;
- **Midcoast Fisherman Co-op** in Port Clyde, ME, for working capital.

At this writing, loans have been approved to: **Honest Weight Food Co-op** in Albany, NY for store expansion and move; **Boston Food Co-op** in Boston, MA for its store expansion project; **Fertile Underground**, a worker co-op grocery store in Providence, RI for start-up; and **Quabbin Sunrise Co-op** in Ware, MA, for water system repairs.

In 2011, loans repaid include:

- **Cleanscape** in Providence, RI
- **Fiddleheads Food Co-op** in New London, CT
- **Intervale Center** in Burlington, VT.
- **Pioneer Valley Photovoltaics (PV2)** in Greenfield, MA;
- **Willimantic Food Co-op** in Willimantc CT