

NoteWorthy

Winter 2014–15

VERMONT COMMUNITY LOAN FUND

SPECIAL EDITION: “WHY I INVEST”

(Vermont) Family Values

For mom Dawn Andrews and son Jonah Bourne (*pictured above*), investing with VCLF is about doing the right thing: sharing resources, spreading the wealth and providing access to opportunity.

Herself a native Vermonter, Dawn raised her two sons Jonah and Levi here, and it was here that she and Jonah both cultivated a shared passion for agriculture and the working landscape — along with veggies, flowers, chickens and sheep.

“It just feels right. It feels healthy and right for the world to be farming and raising healthy food,” Jonah says.

After a California sojourn to gain experience in farming and food entrepreneurship, Jonah returned to Vermont in 2008. Passion, dedication and hard work became the hallmarks of his first Vermont venture: Cabot’s artisan, wood-fired Woodbelly Pizza (woodbellypizza.com).

After a few years, Jonah sold his interest in Woodbelly and mother and son went full steam ahead with Provender Farm in Cabot. A 160-acre farmstead dating back to the early 1800’s, Provender Farm is a truly diversified operation featuring organic gardens, orchards,

topiary gardens, sugar bush, shitake mushroom operation, and livestock that provide labor, fertilizer, eggs and meat. Provender Farm is also a collective: a number of Jonah’s friends live on-farm and are incubating their own small businesses.

From this thriving and fertile place, mother and son’s enthusiasm for investing in Vermont, or as Dawn puts it, “doing something morally comfortable with our money,” began to grow. Ideas really took root when Dawn learned about VCLF.

“We wanted to reinvest in our community because it’s good for all of us,” says Dawn. Jonah adds “I wasn’t interested in putting my money into something that didn’t do good in the world, something that did damage. And I knew I wanted my money to stay in Vermont.”

Today, both mother and son have investments with the Loan Fund. “We’re not in it to get the biggest return. We want to make a difference,” Dawn says. “The Loan Fund is so good at helping folks with capital needs in Vermont,” Jonah says. “I know my money will be there when I need it. But for now, VCLF allows me to share opportunities, to turn my assets into opportunities for more Vermonters,” he says.

“
Why I
Invest...
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From the Executive Director

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WINTER 2014-15 NOTEWORTHY

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15 State Street, P.O. Box 827
Montpelier, Vermont 05601
Phone: (802)223-1448 **Fax:** (802)223-1455
Web: investinvermont.org

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Dear Friends,

If you're a regular *NoteWorthy* reader, you know that we like to put the focus on VCLF's borrowers and their great work. Recently, you've read features on the diversity of our small business borrowers, borrowers doing great things in Brattleboro, and women-owned business borrowers. They're all pieces of the VCLF puzzle; they're the reason we do what we do.

For this *NoteWorthy*, we want to show you the proverbial other side of the coin: the investors who make our lending possible. If the Loan Fund exists to serve the needs of our borrowers, it's our investors who make it happen. Their generosity, their progressiveness, their community spirit, their commitment to social and economic justice: these are the values that bring us all together and sustain us.

Just as every loan is different, no two investors are alike. As you'll read here, investors make their commitment to VCLF for any number of reasons. However, I think that as you consider the stories here, you'll find a common thread. VCLF investors want their money to have meaning, to work for the common good, to do more. They want investments with value AND values.

The connection that VCLF facilitates between our investors, their values and their community, is a very special thing. Our work is theirs. We couldn't be more grateful.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Will Belongia'.

Will Belongia



Will Belongia

"If the Loan Fund exists to serve the needs of our borrowers, it's our investors who make it happen."

Real Things

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Why I
Invest...
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"I invest in VCLF for a lot of the same reasons I work here: economic justice, helping people help themselves, building community. There's also a financial reason: by investing with the Loan Fund, I can take advantage of the Vermont Charitable Housing Tax Credit.

"But if I'm answering from my heart, it's all about connection to Vermont and Vermonters. As someone of limited net worth, there are very few ways for me to invest in things I care about in Vermont, like sustainable agriculture, affordable housing and quality child care. Even though I'm a small investor, VCLF lets me invest in real things: real businesses, real homes and real people, right here at home."

"Even though I'm a small investor, VCLF lets me invest in real things: real businesses, real homes and real people, right here at home."

– Will Belongia

The Sustainable Future is NOW



For many years, Deborah Messing and her husband Bob were big fans of VCLF, but felt they weren't yet in a financial position to invest. They'd come to Vermont from New York City's Lower East Side in the 1960's, to live on the land

and off the grid. "Bob, the poet slash logger slash philosopher, and me," chuckles Deborah.

During her 20-plus years as a buyer for Montpelier's Hunger Mountain Coop, Deborah successfully lobbied for a 401(k) plan that offered socially responsible investment options. "It made no sense to me to devote my working days to supporting an alternative to the mainstream economy, and then to invest my savings in companies whose goals conflicted with that very vision," she says.

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Why I
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As they edged closer to retirement towards the end of the 2000's, Wall Street "went south" and, with it, mainstream rates of return. "For a long time, we wanted to align our savings with our values. Now, thanks to VCLF, we're finally able to," recalls Deborah. The Messings now say that since their very first investment with VCLF, "we've always felt that our savings were in good hands, both fiscally AND ethically."

Today, they're particularly passionate about the Loan Fund's support of local alternative energy production. "I'm increasingly concerned about the effects of climate change, and I've

become interested in the movement to divest from fossil fuel companies and from the banks that lend money to them," she says.

"I hope that my neighbors who have savings will scrutinize their investments and consider divesting from at least the most egregious fossil fuel companies. I hope they'll consider reinvesting in sustainable alternatives — VCLF being one of the best choices, in my opinion," she adds.

HOW TO INVEST: VCLF Cash Account

Like a Money Market account, the VCLF Cash Account investment allows you to make periodic withdrawals.

Learn more at
investinvermont.org/investors

HOW TO INVEST: VCLF Term Account

The most popular way to invest in Vermont! It's just like a CD: you select a rate and term and we take care of the rest. At maturity you can choose repayment or reinvestment at a new rate and term of your choice.

Learn more at
investinvermont.org/investors

"VCLF translates money into services and opportunities, uplifting everyone in our state. If that's something I can invest in, then that's what I want to invest in."

— Bonnie Acker, Investor since 2013

Past Performance, Saving for the Future

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Why I
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Michelle Barber is an avid hiker, cyclist, outdoorsperson and recently even tried skydiving and hang gliding. As adventurous as she may be in some aspects of her life, Michelle is quick to

note she's “the most conservative kind of investor the Loan Fund could possibly have.”

Michelle ventured far from her Detroit roots to head to Vermont 11 years ago, taking on marketing and communications jobs at the Green Mountain Club and Goddard College. At her current post as digital marketing specialist at the Vermont Foodbank, she trawls the digital frontiers to promote their progressive, collaborative approach to systems change. Her forward-thinking ethos also requires her to commute by bicycle to minimize her carbon footprint.

And then there's Michelle's dream of living off the grid, in a cabin of her own design. Believe it or not, that's how she came to be a VCLF investor: Michelle is saving for her dream home using VCLF's Graduating Investment, rather than going to a traditional lender for a mortgage. “I wanted to do this outside of the traditional debt system,” she says, explaining that it allows her to strengthen Vermont and build her dream home, all at the same time.

As for the “conservative” part? “VCLF has a great track record for managing money and keeping it secure.” After extensive research on the Loan Fund's history, lending and approach to fiscal responsibility, Michelle says she felt completely confident that putting her money with the Loan Fund was a far more responsible choice than Wall Street, which she describes as “much too shaky.”

She also likes the idea that she's contributing to Vermont by sharing her assets with the community facilities and small businesses she believes are the foundation of the state's future. “I needed something to do with my money that pleased my conscience as well as fulfilling my financial goals,” Barber says. “It's the best of both worlds.”



HOW TO INVEST: VCLF Graduating Investment

VCLF's Graduating Investment allows you to invest in the Loan Fund in an affordable way, through regularly scheduled electronic deposits towards your principal. To learn more, call Susan Hood at 802-223-4426.

HOW TO INVEST: Just Good Advice

Many VCLF investors hear about us from their financial advisor, and vice versa. We're always happy to speak with asset managers, accountants, lawyers, trustees, estate planners and others whose clients have an interest in investing in Vermont. To learn more, call Jake Ide at 802-223-4423.

“The Loan Fund is a prime example of ‘think globally, act locally.’ It's an ideal place to see our money put to work.”

– Rick Winston, Investor since 1996

Clean Energy, Clean Conscience

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Why I
Invest...
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SunCommon Co-Founder and Co-President Duane Peterson is a VCLF borrower and investor who clearly believes in making the most of vital resources — energy and dollars being key

owned solar array. When SunCommon needed financing for their first array project in early 2014, VCLF stepped in, proving once again to Duane the alignment of his values with the Loan Fund's.

Recently, Duane became the first VCLF investor to invest through his Self-directed IRA account, which he sees as allowing him to invest in alternative ways and diversify his portfolio.

among them.

Duane first arrived in Vermont via Los Angeles in 1996 at the behest of Ben and Jerry themselves, who recruited him to take on the role of their “Chief of Stuff,” the company's internal agent for social change.

When the company sold in 2000, Duane found a channel for his energies working with various for- and nonprofits including the Vermont Public Interest Research Group, the state's largest consumer and environmental advocacy organization. At VPIRG, he served as Board President, immersing himself in research and advocacy around clean energy. Together with VPIRG staffer James Moore, Duane “imagined a market solution to climate change,” he recalls.

Solar energy is that solution, he says, “because everyone has the right to a healthy environment that starts with clean energy.” They launched SunCommon (suncommon.com) to make solar energy more affordable through group net metering, whereby a community of homes can draw their electricity from a group-



“VCLF is in my safe investment pool,” he says, underscoring the security he feels he can count on with the Loan Fund. “They have a great track record of supporting what I want to support, while also being successful and paying the money

back. But I also want to invest in ways that reflect my values. I'll get some return on investment while promoting values-led endeavors. What could be better?”

HOW TO INVEST: Self-directed IRAs

Much more “hands-on” than a traditional IRA, Self-directed IRAs allow folks to invest their assets in a broader range of options like businesses, real estate...and the Vermont Community Loan Fund. It's a great way for investors to put some of the nest egg they're saving for later to work today!

To learn more, call Jake Ide at 802-223-4423.

“VCLF lets you put your money where your mouth is, or put your money where your heart is.”

– Charlie Hunter, Investor since 2012

Local Access, Local Control

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Why I
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You could say that Jane Knodell has always been invested in the work of VCLF — even before the organization was founded.

As an undergraduate at Stanford, she immersed herself in the study of

economic theory, banking history and monetary policy, which she pursued all the way through to a Ph.D.

Not long after, the University of Vermont learned of Jane's growing reputation, and in 1986 hired her on to the department of economics.

At that time, explains Jane, big changes were brewing in banking policy. “That was when interstate banking came to Vermont,” she recalls.

“Until then, most banks in Vermont were smaller, in-state institutions,” she says, explaining that local bank ownership meant lending decisions were based partly on a borrower's character and community standing, rather than a series of scores and numbers alone.

“So a group of us became concerned about local access to credit from some of these big, out-of-state banks,” she says. That group included Nancy Wasserman, the Loan Fund's first Executive Director.

“I admired the way VCLF leveraged banks to step up to the plate where banks were absent,” she says. She was particularly eager to promote VCLF's programs serving small business owners and affordable housing developers, both issue areas close to her heart. (Jane has served on the boards of the Vermont Reinvestment Association and the Burlington

Housing Authority; her partner, Ted Wimpey, is Director of the Champlain Valley Office of Economic Opportunity.)

Thus — a VCLF investor was born. “I know that VCLF is very effective and efficient, and that my money will go into expanding access to credit to Vermont's small businesses, affordable housing and community services,” she says.

Not only did Jane and Ted become investors, they made VCLF a part of their annual giving. Jane also chose to give her time and energy to VCLF; she served on our Board of Directors from 1993 to 1996.

Jane went on to become the first female Provost in the history of UVM and entered Burlington city politics, winning a seat on the Burlington City Council, where she advocates for low-income Vermonters in her Old North End community, and supports small businesses and affordable housing developments. In 2013 she was re-elected to her eighth term.

Jane is fully aware of the many ways her work has intersected with VCLF — which brings her back to her reasons for investing. “VCLF is a good model for addressing social problems and the issues we all face. I see it in so many places, in such a concrete way. VCLF is doing great work and making a real difference.”



HOW TO INVEST: Vermont's Charitable Housing Tax Credit

An investment with VCLF can qualify you for a credit on your Vermont state income taxes. Call Jake Ide at 802-223-4423 to learn more.

“We could have made more money somewhere else, but we couldn't have gotten what we really wanted from our investment anywhere other than VCLF.”

— Rita McCaffrey, Investor since 2006

Invest in Vermont!

In every corner of our state, Vermont Community Loan Fund investors are investing in a stronger, healthier, more sustainable, more equitable future for Vermont. They're investing in safe, affordable homes, quality jobs, community services and early care & education. They're investing in their neighbors and their communities.

And you can too. VCLF offers a variety of investment options to accommodate your social and financial goals. Current investments range from \$1,000 to over \$1 million.

Current Investment Rates*

Social Investment Term Account					Social Investment Cash Account
1-2 Years	3-4 Years	5-6 Years	7-9 Years	10+ Years	Open-Ended Maturity, Withdrawals on Demand
0.85%	1.25%	2.25%	2.5%	3.0%	0.5%

* Rates as of October 31, 2014. Lower interest rates allow us to keep financing affordable to borrowers, increasing the impact your investment has in Vermont communities. Rates are subject to change.

investinvermont.org

Give to the Vermont Community Loan Fund!

A 501(c)3 nonprofit organization, the Vermont Community Loan Fund relies on the generous support of community members like you. 100% of the money invested with VCLF becomes loan capital, and we need YOUR help to support the work we do underwriting loans and providing the financial consulting and business development services that give our borrowers the tools they need to succeed.

How you can help:

- 1. Make a tax-deductible charitable contribution** today at investinvermont.org.
- 2. Make a bequest.** Consider including a gift to VCLF in your will.
- 3. Bequest your investment.** If you're already an investor in the Loan Fund, you can bequest your investment to us. Throughout your life, your investment will continue as usual, and you'll

continue selecting your rates and terms. At the end of your life, your investment will become a permanent capital gift to VCLF, working to transform Vermonters' lives forever.

- 4. Make a Legacy Investment.** Our version of a Charitable Gift Annuity: an immediate gift to VCLF, with permanent effects. In exchange for your gift today, you and/or your designee will receive interest payments for life. At the end of your life, your Legacy Investment will become permanent loan capital.

For more information about investing with or giving to the Vermont Community Loan Fund, please contact Jake Ide, Director of Development, at jake@vclf.org or (802) 223-4423.



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NoteWorthy

SPECIAL EDITION: “WHY I INVEST”

The Loan Fund At Work

January 1, 2014 - October 31, 2014



30 loans
\$2,524,144



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Small Business Lending

18 loans, \$807,776

- Bella Farm, *Monkton*
- Bridport Creamery, *Bridport*
- Catamount Glassware, *Bennington* (2 loans)
- Chester House Inn, *Chester*
- D's Market & Deli, *Bennington*
- Danforth Pewterers, *Middlebury*
- Hollister Hill Farm, *Marshfield* (2 loans)
- Kettle Song Farm, *Worcester*
- North Branch Vineyard, *Montpelier*
- Off the Beaten Path, *Newark*
- Rollo Cedar Sawmill, *Swanton* (2 loans)
- SunCommon, *Waterbury*
- Vermont Bean Crafters, *Waitsfield* (2 loans)
- Wild Wood Vermont, *Hinesburg*

Child Care Lending

8 loans, \$776,368

- Berry Patch Holistic Childcare, *Moretown*
- Bristol Family Center, *Bristol* (2 loans)
- Megan's Childcare, *Danville*
- Red Doors Children's Center, *Sutton*
- Round Hill Kids, *Hyde Park*
- School House Learning, *Burlington*
- Spring Hill School, *Waitsfield*

Housing & Community Facilities Lending

4 loans, \$940,000

- Addison County Community Trust, *Middlebury*
- Living Well Community Care Home, *Burlington*
- Maiden Lane, *Burlington*
- W.R. Vilas, *Burlington*