

The Gray Panthers... day meeting agreed to join with the only way to get the council to acquire a site over a three- by themselves, the council put

# SC Community Credit Union

## Purpose: To Redirect Wealth

By DENISE SIEBENTHAL  
Sentinel Staff Writer

With artsy posters on the walls, oriental carpets covering the floor and mellow music filling the air, one's first impression of the Santa Cruz Community Credit Union is this isn't a typical lending institution.

But it's not the decor of the credit union office at 817 Pacific Ave. that makes it different - it's the purpose behind this non-profit cooperative and the people it serves.

The purpose, explained staffer Margaret Cheap, is to redirect residents' wealth into areas that help this community.

The people that it strives to help are those who want loans for community betterment projects and those who, because of their income levels, would have to pay high interest rates elsewhere.

The uniqueness of this enterprise is that it's a cooperative. Every member has a say in what's going on and a vote on who to place on the Board of Directors, Cheap explained.

The idea for a community credit union started two years ago when about 20 people became concerned they had no control over what was done with their money placed in banks and savings and loan institutions.

They wanted to know their money was being used in this

community, and for people who were less privileged.

"We wanted to move our money in a given geographic area, rather than see it moved around the world," said Cheap. "Now when you put \$500 in the bank, you have no control over where that money is re-circulated and for what purpose," Cheap explained.

So, the Santa Cruz Community Credit Union was born. In its 15 months of existence, it has grown to 1,100 members, \$400,000 in member savings and has given out \$200,000 in loans.

A member of the National Federation of Community Development Credit Unions, this local credit union is the second fastest growing community credit union in the nation. A community credit union in Ashland, Ore., is the fastest growing, Cheap said.

Attempting to put the money directly into the community, the credit union has lent money to such projects as a housing cooperative, a puppet troupe and a small worker-owned business, Cheap said.

And, because its 12 percent interest rate applies to all members regardless of income level, the Community Credit Union believes it's giving a break to the low and moderate income community.

"A lot of people who come here for loans... don't receive loans elsewhere or feel they're not getting equal treatment at other financial institutions," Cheap said.

The Community Credit Union has helped such people as a

woman with three children who needed about \$500 to put a better heating system in her mountain home.

Then there was the young man with an abscessed tooth whose dentist refused to give him care unless he paid first.

And there were some local artists and craftsmen who knew they could have a profitable Christmas season if they had money for more supplies to make additional pieces.

All these people received loans from the Community Credit Union, Cheap said.

Another feature of the Community Credit Union is how it deals with its members, Cheap said.

"We offer indepth loan interviews where we go over family budgeting with people... We find ourselves talking people out of loans, which isn't good in an ordinary business sense, but people sometimes get in over their heads," she explained.

Like any other lending institution, the Community Credit Union does have those who don't pay their loans, but even this is handled differently.

"We have a volunteer committee that goes out and talks to people who are delinquent on their payments. We try to impress upon them they are members in this too," Cheap said.

"A lot of people call and say they can't make the payment," Cheap added. "They feel they are hurting something they are part of."

Membership in the organization requires county residency, a \$1 membership fee and a minimum \$10 deposit.

The Community Credit Union, because of its limited assets, doesn't pay interest on savings.

Those interested are invited to a grand opening of the new Pacific Avenue office on Friday from 3-9 p.m. For more information, call 425-7708 or 688-9790.

### Neighborhood

### O Group Meet

The Live Oak Neighborhood

