

**CITY OF BALTIMORE  
COUNCIL BILL 15-0271R  
(Resolution)**

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Introduced by: Councilmembers Stokes, Scott, Costello, Kraft, Middleton, Clarke, President  
Young, Councilmembers Mosby, Curran, Branch, Welch, Reisinger  
Introduced and read first time: October 26, 2015  
Assigned to: Taxation, Finance and Economic Development Committee  
Committee Report: Favorable  
Adopted: February 8, 2016

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**A COUNCIL RESOLUTION CONCERNING**

**1                    Informational Hearing – Making Microfinance Work for Baltimore**

2           FOR the purpose of calling on microfinance providers, community leaders, and City officials  
3           responsible for economic development to appear before the City Council to discuss how to  
4           make better use of the potential presented by internationally successful microfinance models  
5           to improve low-income community access to much needed lending and other financial  
6           products.

**7                    Recitals**

8           Microfinance is the provision of financial services to low-income people who lack  
9           meaningful access to the traditional banking sector. Seen as a powerful driver of societal change  
10          abroad, microfinance principles are increasingly being applied here at home to empower  
11          low-income families and communities in the U.S. as well.

12          For many low-income individuals, traditional banking and finance models are simply  
13          unworkable. Lack of credit histories, steady income streams, or assets to use as collateral prevent  
14          them from getting loans from most large lenders. A shortage of accessible bank branches in  
15          disadvantaged neighborhoods, limited internet connectivity, and irregular cash flow can make  
16          establishing checking or savings accounts difficult as well. Locked out of the mainstream  
17          financial services market, and without the security a substantial regular paycheck provides higher  
18          earners, low-income families are forced to rely on costly, risky, and unscrupulous options for  
19          their financial needs – further exacerbating their poverty.

20          Microfinance providers seek to step up to fill this gap between the needs of low-income  
21          communities and the resources available to them. They provide small, unsecured, low-interest  
22          loans to budding entrepreneurs struggling to improve their lives and communities. They also  
23          provide reliable savings options, credit building opportunities, and financial education that can  
24          have life-changing effects.

25          In New York City hundreds of millions of dollars have been invested through microfinance  
26          providers assisting tens of thousands of low-income families and individuals. Other cities as  
27          diverse as Chicago, San Francisco, Charlotte, and Omaha have seen thousands of people helped  
28          by tens of millions in microfinance investments as well.

EXPLANATION: Underlining indicates matter added by amendment.  
~~Strike out~~ indicates matter stricken by amendment.

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1           However, despite the obvious need for these kinds of services here, Baltimore has not yet  
2 seen widespread private microfinance investment.

3           Microfinance investment could be an ideal instrument to address many of Baltimore's needs.  
4 It could provide the crucial break in the inter-generational cycle of poverty that blights far too  
5 many of our neighborhoods by allowing those seeking to improve their situations the opportunity  
6 to acquire the tools and support they need to move forward. It is important that the City do  
7 everything it can to encourage the spread of empowering microfinance efforts throughout  
8 Baltimore.

9           **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That the  
10 Council calls on microfinance providers, community leaders, and City officials responsible for  
11 economic development to appear before it to discuss how to make better use of the potential  
12 presented by internationally successful microfinance models to improve low-income community  
13 access to much needed lending and other financial products.

14           **AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the Mayor, the  
15 President and CEO of the Baltimore Development Corporation, the Deputy Mayor for Economic  
16 and Neighborhood Development, the Director of the Mayor's Office of Minority &  
17 Women-Owned Business Development, and the Mayor's Legislative Liaison to City Council.