



City of Baltimore

City Council
City Hall, Room 408
100 North Holliday Street
Baltimore, Maryland 21202

Legislation Text

File #: 15-0271R, **Version:** 0

* WARNING: THIS IS AN UNOFFICIAL, INTRODUCTORY COPY OF THE BILL.
THE OFFICIAL COPY CONSIDERED BY THE CITY COUNCIL IS THE FIRST READER COPY.
INTRODUCTORY*

CITY OF BALTIMORE
COUNCIL BILL R
(Resolution)

Introduced by: Councilmember Stokes

A RESOLUTION ENTITLED

A COUNCIL RESOLUTION concerning
Informational Hearing - Making Microfinance Work for Baltimore

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

Recitals

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

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

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

changing effects.

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

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

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

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

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

dlr15-1321~intro/21Oct15
ccres/Microfinance/tw

dlr15-1321~intro/21Oct15
????
ccres/Microfinance/tw