Developing Bank-CBO Partnerships
Learning Objectives: Understanding the Steps in Creating Partnerships

- Understand the local market
- Understand local banks
- Identify your sources of influence
- Talk with bankers
Motives of Bankers

Motives of bankers for partnering:

- Welfare of the community and the bank
- Market share
- Income
- Risk mitigation
- Reputation
- Community Reinvestment Act
Understand the Market: Ascertain Credit & CD Needs

- Economy
- Demographics
- Housing conditions
- Business conditions
- Employment picture
- Bank lending and service gaps
- Public and private investment
- Sources of support and subsidy
Understand Local Banks

- What sizes are they?
- What geographies do they serve?
- Who are their customers?
- Who are their competitors?
- What are their CD activities?
Develop Effective Partnerships with Banks

- Is there significant community support for your idea or initiative?
- Can you help the bank reach new customers?
- Is your proposal consistent with the bank’s business model?
- Can you provide publicity for the bank?
- Is your proposal appropriate for your organization’s financial condition?
- Do you have a strong leadership team and business plan?
Partnership Examples

- Loans, accounts and other services
- Customer sharing and referrals
- Loan layers and participations
- Investments
- Donations
- Operations and governance
Talk to the Regulators

- Public File in each bank
- Comment to the regulatory agencies on:
  - Credit and financial services needs
  - CD needs and opportunities
  - Bank performance
  - Your relationships with banks
  - Applications
  - Changes in regulations
  - New issues
What are some examples of community development projects that are underway in your community that are intended to benefit LMI people and communities?

Which have utilized multi-sector, collaborative partnerships? Which partnerships have involved financial institutions?

Which partnerships and projects are working fairly well, or have worked fairly well in the past?
What are the obstacles, or have been the obstacles in the past, to collaborative partnerships with financial institutions?

Have they been addressed, and if so, how?

What are the potential opportunities for such partnerships?

What are potential strategies to develop or enhance such partnerships?