



Business Plan **Executive Summary** 10/28/2009

Common Good Finance (CGF) will create the first ever common good bank, designed specifically for economic justice, sustainability and strong local economies. Once the first common good bank opens, any community anywhere can have a Community Division easily, with no need for a bank building. This is not just another bank with a social mission. This is a social mission with a bank.

What Makes Common Good Banks Different

Common good bank profits will go to a Community Fund to advance the common good. Every piece of the common good bank plan is already widely used – just never in this powerful combination. By regulation, mutual banks and credit unions must retain most of their profits. Ordinary stock banks pay their profits to investors, as dividends. Unlike those banking models, Common Good bank profits will promote democratic principles and advance the common good.

Common good banks will lend to socially and environmentally responsible borrowers and will focus on investment in locally-owned businesses. Depositors in each community will guide their Division's investment priorities and community contributions democratically. A no-fee Common Good Card™ will save local businesses thousands of dollars.

Participating businesses can volunteer a percentage rebate on their transactions with depositors of the bank. Half the rebate goes to the customer, half to the Community Fund. In exchange, the bank will advertise the business's rebate on the radio, in print and 24/7 on the internet.

Investments in common good banks are intended to deliver a planned inflation-rate return on resale (historically about 6% APR). Every depositor can be an owner by buying a few dollars-worth of stock. Voting is one vote per person, not one vote per share. Community-level buy-in assures an easy exit.

Most of these innovations will be handled by a separate Depositors Association – a covenant among the depositors, authorizing the bank to facilitate those cooperative features. Common good banks will be insured by the Federal Deposit Insurance Corporation (FDIC) and will offer typical secure community banking services. Most of the bank's operational systems will initially be outsourced.

Staff

Common Good Finance President William Spademan leads a team of two dozen nonprofits and 30 organizers working to create common good bank Community Divisions in 16 states, with oversight by a 50-member advisory board. Mike Noble, our future CEO, has 28 years of banking experience – recently as Chief Operating Officer of a mid-size community savings bank. Chief Lending Officer Lynnette Colin is currently Branch Manager of the Hope Credit Union in New Orleans. Part-time loan advisers in each Community Division and an active 12-member board of directors will round out the initial team.

Timeline and Funding

The past	Planning. Our nonprofit sponsor raised \$100,000 in donations to fund six years of planning.
3-6 months	Charter. Now we will raise \$1.5 million, to cover the bank's organizational costs, in order to secure a state charter. Concurrently, we will sign up 4,000 future depositors.
12 months	Prepare to Open. Once the bank receives a charter, the bank itself will offer stock, to raise an additional \$5 million from the depositors, line up \$21 million in loans (so that the bank can operate profitably from day one), hire and train staff, customize software, acquire and set up equipment and office space and prepare for an opening celebration.

For More Information, including a video and a complete business plan, visit commongoodbank.com.