



## Alliance for Local Economic Prosperity

*Keeping Our Public Funds Safe, Local and Working*

# About a Public Bank

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- The State of New Mexico will NOT run the Public Bank.
- The Public Bank will be governed by a Qualified Citizens' Board of Directors and managed by professional bankers.
- The Public Bank is regulated like any other Chartered Bank.
- NM's Public Bank will work in partnership with local financial institutions (Credit Unions, Banks and CDFI's), help reduce their costs and increase/attract new customers.
- With this partnership model, Credit Unions and Community Banks increase their lending capacity.
- Together they will define "Loan Programs" that local lenders will offer to the public.
- These loan programs will primarily address business loans, but could include other types of borrowers.
- Loan programs are designed to address "public benefit targets" that the banks and the Legislature identify such as jobs, food and energy.
- The Public Bank acts as a "partner" with local lenders; it "participates" (shares the risk) on loans as defined in the loan program.
- Loans are originated by the local lender (Bank, Credit Union and CDFI's).
- The Public Bank's officers perform their due diligence to ensure all loan criteria are met before agreeing to participate in the loan.
- The local lender also performs the due diligence as defined in the loan program criteria; once approved, it also performs the loan servicing.

## ***Examples of Potential Loan Types are:***

*Local, Small Business Expansion*

*Beginning Entrepreneur*

*Business Development Equipment/Inventory Product Processing,  
Supply Chain Voids, Processing, Packaging and Distribution*

*Energy Efficient Retrofits, Solar Installations*

*Agriculture*

*Affordable Housing: On-Site Infrastructure, Construction and  
Take-Out Loans*

*Working Capital Loans for Business Operation*

*Business Recovery from Natural Disasters*

*Public Infrastructure (in Lieu of Bonds)*

- The size of the loan is determined by the size/type of project.**
- Infrastructure Loans where the borrower is a public entity (city, county, agency or school district) are made directly to the public entity and processed entirely within the Public Bank.**

**For additional information about a New Mexico Public Bank  
[AFLEP.org](http://AFLEP.org)**