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Promontory Gives ‘Empowerment’ Awards to Help Underbanked

By Ian Mckendry

WASHINGTON — Promontory Financial Group announced Friday that it had given financial awards to two small institutions that are expanding banking access to the underbanked.

The firm gave its inaugural “Empowerment Awards” to BankPlus, a community bank in Ridgeland Miss. that offers small-dollar alternatives to payday lending, and Washington, D.C.-based City First Enterprises, a nonprofit that launched an online platform that helps channel money to projects backed by community development lenders. Each institution will receive \$100,000 and consultation services from Promontory.

“There are too many unbanked and underbanked people in America and happily there are financial institutions that have innovations that really can bring these folks into the mainstream of America’s economic society and give them real opportunity,” said Gene Ludwig, founder and CEO of Promontory Financial Group, in an interview.

Financial inclusion is an increasing concern as millions of households who can least afford it end up spending more money on financial services because they lack proper access to the financial system.

According to a recent Federal Deposit Insurance Corp. survey, more than 120 million households are either unbanked or underbanked.

Promontory honored BankPlus for its lending program, which requires recipients to complete a financial education seminar to be eligible for low-priced loans of up to \$1,000. More than 18,000 people have participated in the program since it was introduced in 2008.

“Here is an opportunity to develop a national solution to a chronic problem,” said Ludwig.

City First Enterprises was singled out for its platform which helps investors identify crowdfunding and other opportunities backed by community development financial institutions.

The larger purpose of the Empowerment Awards is to elevate the profile of safe financial service programs and spread the word about successful business models that can be duplicated elsewhere.



Eugene Ludwig

Founder and CEO of Promontory Financial Group

“We think this is really important,” Ludwig said. “It is shining the light on these important innovations and giving them their day in the sun, not just because they deserve it, but because I think it will really give them an opportunity to help low and moderate income people.”

Other finalists in the community development category were Beneficial State Bank in Oakland, California, which provides credit to businesses that cannot afford traditional financial products; Carver Federal Savings Banks which has self-serve kiosks in New York City that provide check cashing services to unbanked consumers; and Start Community Bank in New Haven, Connecticut which started a youth savings programs.

The finalists for the financial access award, which is more technology- focused, were Float Money, in Lexington, Kentucky which offers interest-free, no-fee credit to people without a credit history; and the Mission Asset Fund in San Francisco, California which uses pooled credit lending models and combines it with reporting and financial education. ■

