

## Frequently Asked Questions About Public Banks

### What Is a Public Bank?

- **The people, through their representative governments, own Public Banks** to benefit their communities.
- Public banks hold a bank charter **legally subject to applicable state, federal and international banking rules, regulations and oversight**. A public bank manages and invests public funds (taxes, fees).
- A public bank **is not a retail bank and does not accept deposits of individuals**. Therefore its operational costs are reduced because it has no branches, tellers, ATM's, retail services or expensive marketing.
- A New Mexico Public Bank will be owned by the residents of New Mexico, **guided by a mission or purpose statement to mobilize and redirect our public revenue** into investments for local economic and social development. It keeps money safe, local and working in the state, rather than being siphoned off to Wall Street
- A New Mexico Public Bank will **boost local community economic development through partnerships with community banks and credit unions**. This collaboration increases affordable lending opportunities throughout the state for a more diversified, sustainable, and robust economy.

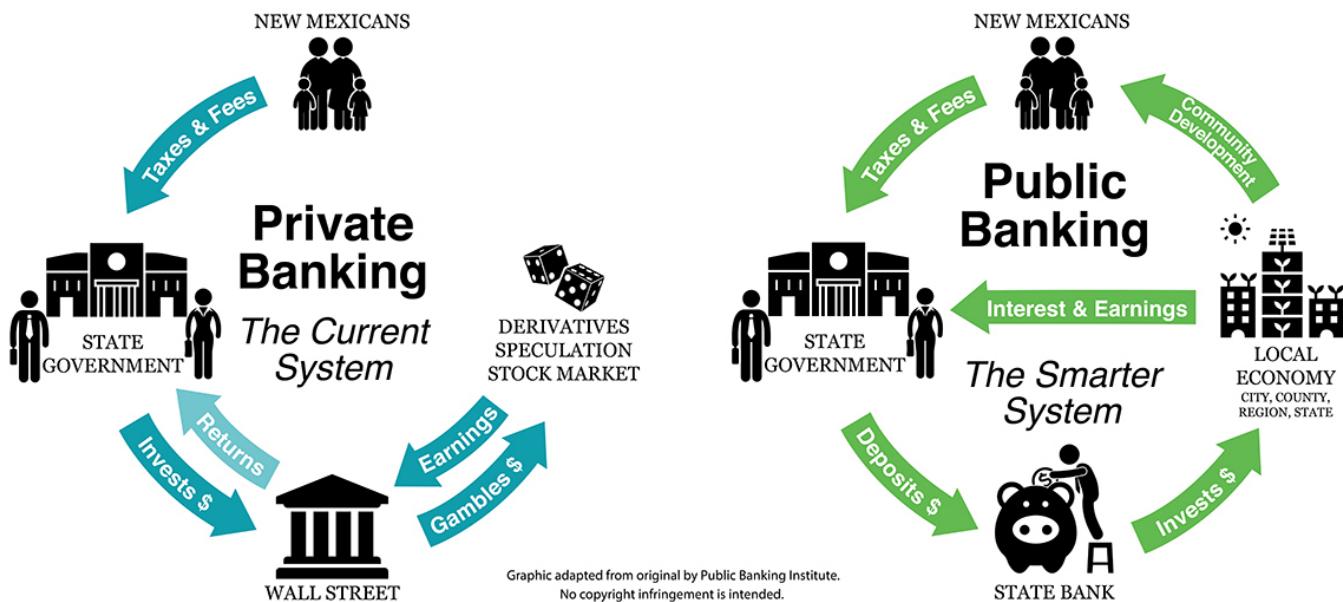
### How Does a Public Bank Benefit the Community?

- It may invest in **local economic and community development** such as small businesses, low income housing, food production and processing systems, roads and bicycle trails, infrastructure, parks and community centers, water and air safety, broadband access and transitions to sustainable energy.
- Its lending can **take the place of expensive bond fees** for public projects (sometimes 40% of the bond), thereby lowering project costs due to lower interest rates available from the public bank and community bank/credit union partnership
- Bank profits from these investments can help finance new community services and projects, continuing to **recycle state revenues** within the state. These resources are desperately needed as we engage in recovery from the pandemic.
- Public banking can bring increased **focus, efficiency, and effectiveness** to our state's financial system.

### Who will run the bank and how is the state's money kept safe?

- A New Mexico Public bank will be **guided by a Bank Board and operated by professional bankers** who make all bank financial decisions independent from the government entity. Strong protections are established between pursuit of the public interest and inappropriate political influence.
- The Bank's Board and professional bankers are responsible for oversight of the bank's adherence to its **public mission, its financial viability and its operational compliance with banking laws and regulations.**
- A Public Bank's financial operations, loan programs and audits are **transparent and accountable to the public**, unlike privately-owned banks.
- **Local credit unions and community banks know their communities** and can help connect entrepreneurial people with potential resources available through a public bank. Public Banks have reduced risks and are not vulnerable to risks and loss associated with often-reckless investments of global banks.

## *How a Public Bank Will Change Our Financial System*



The Alliance for Local Economic Prosperity (AFLEP) is a non-partisan, nonprofit statewide organization promoting investment of public funds for local benefit by establishing a **state public bank**. Join the campaign to determine New Mexico's financial future and invest in local communities! For more information, to volunteer, endorse the campaign, or to donate go to [info@aflep.org](mailto:info@aflep.org)

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