



**FIRST LADY HILLARY RODHAM CLINTON
REMARKS FOR HUD COMMUNITY FIRST BANK GRANT ANNOUNCEMENT
WASHINGTON, D.C.
DECEMBER 19, 1996**

I am delighted to help celebrate the creation of the Community First Bank here in Washington and similar community empowerment banking initiatives in Baltimore and in the Mississippi Delta. Let me thank Secretary Cisneros for his vision, leadership and tireless support of innovative projects to bring jobs and opportunity to communities all across the country. As the President has often said, Secretary Cisneros has been the best HUD Secretary our country has ever had and we will miss him tremendously.

Over the years, we've heard a lot about the unique and often difficult challenges facing the men, women and children who call our Nation's Capital home. Much has been written and debated about what is wrong with this city and what isn't working. And we will all do our part to meet these challenges. But let's not forget that this is a unique place to live, work, and do business. Not only is it the capital city, it is a mecca for tourists, a leading center for biotechnology and medical research, and a nerve center for international communications. It is a place filled with people who are working hard to bring greater prosperity and progress to the District of Columbia.

The Community First Bank of D.C. is but one indication of the energy and vision at work here. This unique partnership between the federal government, private businesses, and neighborhood residents, will bring credit, jobs, and economic independence to people who are willing to work hard and take responsibility. It has the power to transform the lives not only of its loan recipients but entire families, neighborhoods, and communities.

I know this because I've seen firsthand in Bangladesh, in India, in Nicaragua, in Chile, in Bolivia and in our own country how loans as small as \$100 can empower men and women to lift their families out of poverty and make their neighborhoods better places to live.

I have stood in some of the poorest neighborhoods in the world-- neighborhoods that have weathered civil wars and earthquakes -- and have listened as people told me how their lives had changed from destitution to inspiration because a community bank had given them the opportunity to start small businesses selling and sewing clothes, baking bread and pastries and weaving mosquito netting. One woman even told me that she had built a lucrative business selling auto parts door-to-door!

I wish that all of you could have been with me at a discussion with members of a microlending network in Santiago, Chile. There, I met a seamstress who told me that for years, she could barely make a living and compete with the large clothing factories in the city. "I felt like I had all this potential and all this energy, like I was a bird in a cage," she said. But buying a high-speed sewing machine with a small loan from the village bank made her feel like "a caged bird set free." We all laughed when she added, "I kissed that sewing machine over and over

again."

My husband and I were early-believers in the potential of microlending to transform communities. When he was Governor of Arkansas, the President started the "Good Faith Fund," a small microlending project inspired by the Grameen Bank in Bangladesh.

Whether it's a sewing shop in Chile or a diner here in D.C., small neighborhood businesses created with microloans -- businesses that bring much-needed jobs, goods and services to low-income areas -- are vital to reclaiming communities from decay and decline. In many cases, a small loan to a low-income citizen has proven to be a reliable catalyst for self-sufficiency. But unfortunately, microlending is still a little-known concept here in the U.S. For many citizens across our country, people who work hard, but have little or no collateral, securing a loan to start a small business or buy a modest home is a distant dream. As one woman at Mi Casa, a microlending project in Denver told me, "Too many great ideas die in the parking lots of banks."

The Community Empowerment Banking Initiative we've announced today can change this situation. Let me commend Assistant HUD Secretary Andrew Cuomo for his hard work and leadership in shepherding this initiative. This initiative recognizes that community revitalization must begin with people. It empowers local residents not only to start or expand businesses and buy their first homes, it also encourages them to own stock in the bank. Everyone has a stake not only in the success of the bank, but in the success and prosperity of the neighborhood businesses who are loan recipients.

The bank is a true model of a community working together, creating opportunity for each other and taking responsibility for the future. And I know that the people of Washington will succeed this effort.

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