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America's Mutual Banks Calls for Capitalizing and Chartering Mission Driven De Novo Mutual Banks

WASHINGTON, Feb. 23, 2021 (GLOBE NEWSWIRE) --

AMB Chairman Tom Fraser called on the private sector to step up its efforts to support mission driven financial institutions. He stated, "Current banking laws, authorizing the chartering of FDIC insured mutual banks, offer the ideal legal structure to fund initiatives to serve minority and rural communities with traditional banking services not otherwise available to them." Nonetheless, no new mutual bank has been insured by the FDIC in half a century. He pointed out that in order for mission driven banks to be successful they must not only serve the community but be operated for the good of the community and by the community without the need to set aside profits for private gain. He praised the mutual banking model as the right structure to facilitate investment in underserved communities. "No one can buy or sell a mutual bank which is one important reason for their longevity." He extolled the 200 year history of mutual banks which were originally created to serve constituencies that were unserved by commercial banks. On behalf of AMB he urged the banking agencies, both federal and state, to revive mutual bank charter formation by working with community, institutions and philanthropic investor groups to make this option available to minority and rural constituencies.

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