

# A new form of public banking

## CFH introduces public benefit banking to U.S.

### WHAT IS A PUBLIC BANK?

A public bank is owned and operated on behalf of the general public, in contrast to private banks, which are owned by private shareholders and serve only their interests. Public banking takes many forms, and around 40% of banks worldwide operate under some form of public ownership. Some are government owned, like the [Bank of North Dakota](#). Others are owned by non-profits like [Beneficial State Bank](#). Still others are owned by a government/non-profit partnership, like the [Sparkassen](#) banks in Germany.

### WHAT IS CFH'S VERSION?

With the advent of [benefit corporations](#) in most U.S. states, a new form of public-private public banking in the U.S. is possible. A benefit corporation is a for-profit organization that is dedicated to serving the public good. Commonwealth Financial Holdings (CFH) is a benefit corporation that will be organized as a [financial \(bank\) holding company](#), dedicated to serving the public as a new form of public banking enterprise, which we call public benefit banking.

### WHAT IS THE GOAL?

CFH exists primarily to rescue and preserve as many community banks as it can, while maintaining their critical role as lender to small and mid-size businesses, a sector that holds little interest for big banks. Per a 2012 [FDIC study](#), community banks have suffered a catastrophic decline (more than 60%), either closing their doors or being absorbed by big banks, which ends their community focus.

### WHAT ARE THE BENEFITS?

The banks so acquired stay local while becoming part of a larger public company with access to capital, additional revenue streams, enhanced lending ability, and support services. They continue to function as community banks, recirculating profits within the communities they serve rather than shipping gains to distant corporate owners.

### WHO CAN PARTICIPATE?

In contrast to a purely government or non-profit owned bank, the CFH public benefit banking enterprise will provide a means for participation by all interested parties, including the general public, local and state governments (e.g., via a [JPA](#)), non-profit organizations, pension funds, foundations and more. All shareholders will own publicly tradable stock.

CFH is part of a larger financial ecosystem that preserves and enhances local small businesses, which in turn improves the economic wellbeing of entire local communities.