

Remarks of Martin Eakes after receiving the Opportunity Finance Network (OFN) third annual Ned Gramlich Lifetime Achievement Award for Responsible Lending

Delivered October 29, 2009 at OFN Annual Conference in Charlotte, North Carolina.

Video available at: <http://www.self-help.org/about-us/news-publications-1/videos>.

Good afternoon.

First let me welcome you to the South where we have made an art form of talking and, for some of us, thinking slowly.

Last night Ron Phillips reminded me that when I gave a speech in Maine 3 years ago, about 15 minutes into the speech I saw someone in the audience who was looking very confused. His brow was furrowed, and I asked them, "You don't seem to be understanding what I'm saying. Do I need to speak more slowly?" and the person jumped up and said "Oh my God! Please don't speak any slower than you already do!"

I sometimes tell people I am proud to be a Southerner: I was born here, I was raised here, I was educated in the South, I raised my children here, and when I die, I tell people, I want to make sure that I have a good Southern preacher preside at my funeral because that is the only way I know for sure that I will get two extra hours I didn't deserve before I have to pass on.

This award today is very, very humbling for me, partly because it comes from my friends and peers, but also because when Mark first called me and mentioned the award in honor of Ned Gramlich my first thought was about the debate between Lloyd Bentsen and Dan Quayle where Lloyd Bentsen said "I knew John Kennedy, and Dan Quayle you are no John Kennedy." My first thought was, I knew Ned Gramlich and I am no Ned Gramlich.

I first met Ned in Charlotte in 2000 at a Federal Reserve hearing and it was a hearing to look at mortgage abuses. And I was so angry at the Federal Reserve for failing to prohibit mortgage abuses that they had been mandated to do for the proceeding 6 years that I literally ripped Ned Gramlich to shreds. I didn't even know him, he was moderating the meeting, and afterwards Ned gently came to me and invited me to have lunch with him and he listened to everything I had to say which as some of you know is not easy to do. Ned became my friend, he became a mentor. He was a real leader and he fought from that day forward to get mortgage home lending reforms at the Federal Reserve. He was not strong enough to make it to happen because Alan Greenspan and some of the Fed staff blocked him at every turn.

My second reaction to Mark's call was a recognition and a reflection that I knew that I really didn't deserve this award. I thought back to my days of playing little league football, as a little 11 year old. My coach told us that he wanted all of the players to go to a college game. He said, "I've got a secret for each and every one of you." He says, "My secret is that you should stand on the shoulders of the tallest friend that you can take to the game with you and then you will be able to see."

I feel like I have had the privilege to stand on the shoulders of giants. Many of them are in this room today and I want to take a second to recognize the staff, former and present, of Self-Help and ask them to stand up for a second [clapping].

And I particularly want to recognize Bob Schall and David Beck who have worked for decades, tirelessly, on behalf of CDFIs. And finally to thank Cliff Rosenthal and Mark Pinsky who have basically knitted a fabric of a movement out of individual CSFI threads. Thank you all. They prove the old adage that if you hire and associate with people who are both smarter than you and better human beings than you are everyone will think you are a genius going forward.

Self-Help started with a \$77 bake sale to raise capital for minority small businesses. It has now grown to \$1.8 billion in assets making us one of the larger CDFIs. I wish I could say that was because I was such a brilliant manager, but those of you who know me know I can't even get to work with socks that match. I can't even get there with a belt on so I really had to have a lot of help. But I did make this one bet 20 years ago, and that was a bet on African American single mothers that they would be great borrowers if they had a chance to own a home of their own. During those first 10 years we made thousands of home loans; my banker friends told me, "Martin, you will lose all the money that you lend because you can't make loans to people that we bankers haven't been able to help." And in that first 11 years Self-Help had not one single loss out of thousands of home loans.

Ten years later families who had gotten a home loan from us came back and they asked to have a loan to be able to send their children to college. To me that is a legacy of wealth building: that it gives the chance for families to have long term choices out of the work we do.

Like any good southern preacher I have three little points I want to make and then I will sit down. No collection plates, I promise.

Point number one: First it is our duty and our privilege to fight for justice. I don't do this work because I am good person. If any person is enslaved then no person is free. Struggle is really the only path to freedom—not for others but for ourselves—and if struggle we must why not make it work something? Martin Luther King once said, "Power without love is reckless and abusive, and love without power is sentimental and naive."

Power at its best is love implementing the demands of justice. So confirming a stereotype about Southern men in their cars, I'm going to tell you that most of what I know in life that matters I learned from long car rides or from bumper stickers. For example, when I was thinking about disparity—the growing wealth disparity in the nation and in the world, I remember a bumper sticker that I saw 30 years ago. This bumper-sticker read, "I came here 30 years ago with literally nothing and I still have most all of it."

One of my most memorable car rides was from Durham to Washington, DC when the CDFI Fund was first being created. President Clinton invited me and a group of Self-Help borrowers to be present in the Rose Garden when they announced the start of the CDFI fund. I and three of Self-Help's borrowers and their families decided that we would attend. I rented a white step van

and we left North Carolina and went to Washington the night before the ceremony. We left late in the evening because the borrowers of Self-Help could not take a day off work for travel. And late that night as we were driving along, I was driving and one of the passengers was sitting in the front passenger seat. We started to talk and the borrower was very friendly and he said “I want to tell you.” He told me what his name was he said, “My name is Thomas J. Avery.” He was an African American father of five. Thomas told me how he had dreamed that he would have a large family. And how he had taken each of his five children and named them with the same initials that he had, TJA.

I thought it was odd and I told him so, but I also said, “I think that it was pretty neat.” And then there was a pause, and Thomas reached over and grabbed me by the shoulder, put his hand there and he made me look at him—even though I was still driving—straight in the face, and he said, “Martin I didn’t pick those names because I wanted it to be neat. I picked those names because we were poor. I wanted each child in my family to have clothes that would be special and tailored to them with his or her initials on the sleeve. But also we were so poor that we needed to be able to hand down those clothes from one child to the next and we wanted them to still be special.”

He looked at me and quietly said, “You don’t really know my story with Self-Help, do you?” And I had to admit to him that I didn’t. He told me that he had this dream in life as a teenager for being a provider for a large family. He worked as a mechanic in an auto garage in Greensboro, an hour from Durham. And then he lost his job. For six months the family tried to survive on his wife’s teacher assistant salary. Finally he found a temporary job in Durham, an hour away. He got up every morning at 4 a.m. to make the drive to Durham, but before he left he would make lunches for each of his children. And then he would come back. It was already dark in Greensboro when he got home. He told me that the strain of commuting, with not enough money to pay the rent, had made him think the unthinkable: that he may have to leave and abandon his family. He says, “For me as a black man that is the stereotype that people always have and I just couldn’t hardly bare it.”

He says, “I found this small family home in Durham that had cheaper monthly payments than the rent we were paying in Greensboro and I could put all our family together but no one would give me a loan.” He looked at me and said, “Just before Self-Help approved the loan, I had decided that before I would abandon my family I would kill myself.” He told me that the loan from Self-Help didn’t just save his family it saved his life.

So whom gave to whom in that transaction?

My second point, preaching point: We all are trustees for anything that we possess and everything that we touch in this life. Have you ever asked yourself, if you were to die today, who would take care of my children? Who would take care of my elderly parents? If I were to give you all the resources that I have would you be my trustee and take care of my children when I’m gone?

Trusteeship is I think the fundamental concept that links CDFIs to the people who support them. People give us money, or loan us money, not because they want us to do great things but because

they entrust us to use their resources to make the world a better place. And our time, our talents, and our possessions, no matter how large or small they are, are merely short-lived gifts. And I tell people, I'm not disturbed that our gifts are unevenly distributed. If each person had to give up one brain-cell to create one Einstein who could see the world differently, that could make discoveries for the benefit for the whole world, I would vote in favor of that inequality. Einstein would be deploying his genius as a trustee for human kind. To me the real injustice is a cultural value that says a trustee of resources whether great or small could use, or squander, those resources at will and for his or her own benefit.

That to me is wrong. Trusteeship really is the value that links the environmental and economic justice movements. Environmentalists recognize that key individuals in our generation are the trustees for the generations that follow for the very earth itself. The undistributed resources of clean air and water require a stewardship beyond all others. And those of us entrusted with great personal resources, whether beauty, money, creativity, or power over the air and water, are the trustees for those gifts.

My third preaching point is that I really believe that suffering and self-sacrifice are the values that can heal the corrosion of an overly materialistic world, particularly what we have seen in the last decade. I know this sounds odd because no one seeks out suffering or self-sacrifice, but suffering in particular has a way of finding us whether we seek it out or not. Self-sacrifice is different, that is something that we choose to do out of love for other people. I have talked to mothers who faced random and predatory violence of unsafe neighborhoods. These mothers have told me that every night they pray for their sons. And I asked them what their prayer was and they said, "I pray every night that my sons will live long enough to go to prison." I looked at them as a parent and I said, "That can't be what you hope for," and the mothers' response was, "There's a cure—time will cure a prison term, but there is no cure for a bullet." So it's really true that in many of the neighborhoods where we work we see the disparity between wealth and choices; we see neighborhoods with poverty and pessimism and pain that are so real that many in the neighborhoods view themselves as living and killing fields.

One of my best friends is a middle class African American man—a big man, a national leader who several years ago got a call that he needed to come home. And when he got home he found out that his 20-year old son had been murdered that morning presumably for \$60. There was nothing I could do or anyone could do, but being there in terms of pain in *times* of pain and suffering is what creates the bonds that make all of us human.

Many years ago I used to travel to the coast every weekend to visit with a family that was starting a small business. I would stay in their house and I was told later that they had never had a white person stay in their house. And in the middle of the winter I would drive down, it was very cold, and they had one kerosene heater in the middle of the house. And when I would come the temperature was about 96/98 degrees; it was really very hot. And finally I was thinking, "Should I say something to the folks?" and I was thinking to myself, "Well, maybe there is something just really strange about black people and heat." Well, you know how the story probably ends. I came back and finally after the third weekend I asked them if they thought we might turn the thermostat on the heater down just a little bit, and you know what the response

was, right? “Thank God! We were burning up—we thought there was something really strange about white people and heat.”

I then learned in the next week from a mutual friend who told me they said, “Martin, what you didn’t realize during that winter that you were driving down with these two workers who were unemployed and trying to start their own small business that during the week in the coldest winter we had had in years they had no heat at all during the week. They saved all the kerosene that they had so they could heat the house while you were there.”

When people sacrifice for you, there is not much you won’t do to help them. And there is not much I wouldn’t do for that family no matter what they asked me.

Saint Augustine once said, “We should preach the gospel wherever we go and use words whenever necessary.” Here was a man with great moral authority who knew that being there meant a whole lot more than talking about problems.

I tell people that now we should truly love our enemies, but sometimes we have to resist them first. And so if it takes self-sacrifice for us to lift the poor, to feed the hungry, to cloth the naked, to house the homeless, and to comfort the afflicted then so be it. I say let’s get started and let’s start right now—today.

Thank You.

OFN Media Release

Martin Eakes, National Leader in Responsible Lending, Receives Prestigious Ned Gramlich Lifetime Achievement Award for Responsible Lending

CDFI Leader, Prominent Advocate Recognized by his Peers

Submitted by: [Opportunity Finance Network](#)

CHARLOTTE, NC, Oct. 29 /CSRwire/ - Opportunity Finance Network (OFN) announced today that Martin Eakes, a nationally recognized expert on community development finance serving low-income people and communities, received the third annual Ned Gramlich Lifetime Achievement Award for Responsible Lending. Named in memory of the late Federal Reserve Board Governor Edward (Ned) Gramlich, the Award honors a lifetime of achievement in responsible financial services. Gramlich served as a Board Member of OFN after leaving the Federal Reserve Board.

Eakes is the Chief Executive Officer of North Carolina-based Self-Help, a community development lender which he co-founded in 1980. He also leads the Center for Responsible Lending, a research and policy affiliate of Self-Help that Self-Help established in 2002. Eakes, also a MacArthur Foundation "Genius" Award winner, is a national leader in fighting abusive financial practices targeted at poor families, including predatory home loans, payday lending, and abusive checking and credit card fees.

"Martin is a leader among leaders in a critical segment of the financial services industry—responsible lending," according to Mark Pinsky, President & CEO of Opportunity Finance Network, the organization that will present the award. "He has made a transformational impact through innovative financing and policy leadership. Because of Martin, countless people and communities across the nation who were underserved by traditional lenders or preyed upon by predatory lenders now have homes and businesses, and are building wealth instead of debt."

OFN presented the award to Eakes on October 29th at the OFN Conference in Charlotte, North Carolina. Eakes addressed the audience of more than 700 CDFI practitioners from across the nation.

"I am deeply honored to receive this award, all the more so because it honors the memory of Ned Gramlich, a true friend and hero of community development finance," Eakes said. "Self-Help works to provide low-wealth individuals and communities the opportunity to succeed. This award reflects on the success of our borrowers and how lending to low-wealth families, when done responsibly, can help transform lives. OFN and its membership have always understood the need for responsible lending and the urgency of combating abusive lending practices, which makes this award even more meaningful to me."

OFN established **The Ned Gramlich Lifetime Achievement Award for Responsible Lending** in 2007 in memory of Former Federal Reserve Governor and OFN board member Ned Gramlich. The award is the opportunity finance industry's highest tribute and honors one exceptional person each year who has dedicated their life, and not just their career, to a shared enterprise in promoting and implementing responsible financial services for low-income and low-wealth people.

Gramlich, who served on the Board of Governors of the Federal Reserve from 1997 to 2005, was a tireless advocate for responsible finance. He was one of very few people to warn publicly as much as nine years ago that irresponsible mortgage lending practices would likely lead to the crisis we are in now.

Eakes' achievements include 1:

- Since its founding in 1980, Self-Help has provided \$4.5 billion in financing to 45,000 homeowners small business owners, and other nonprofits, nationwide.
- Helping borrowers nationwide to build wealth through ownership of a home or business.
- Strengthening underserved communities by financing nonprofits, childcare centers, community health facilities, public charter schools and residential and commercial real estate projects.
- Operating a secondary market program that enables private lenders to make more loans in low wealth communities.
- Establishing the Center for Responsible Lending to help push for better regulation and stem the tide of foreclosures.

Eakes is a native of North Carolina, and has been honored by the John D. and Catherine T. MacArthur Foundation as a MacArthur Fellow for his work. Other awards include the Credit Union National Association Wegner Award, National Consumer Law Center's Father Robert F. Drinan Leadership Award, and the Annie E. Casey Foundation National Families Count Award.

About Self-Help

Headquartered in Durham, North Carolina, Self-Help operates branch offices in seven North Carolina cities, as well as one office in Washington, D.C., that conduct mortgage and small business lending. Self-Help also operates three full-service credit unions in eastern North Carolina, to provide consumer loan products and services to mostly rural manufacturing communities.

About Opportunity Finance Network: Opportunity Finance Network (OFN), the leading national network of more than 160 financial institutions, creates growth that is good for communities, investors, individuals, and the economy. To date, the opportunity finance industry has financed more than \$25 billion in underserved markets in all 50 states, yielding more than **200,000 jobs, 500,000 housing units, and 5,000 community facility projects**. More information is available at: www.opportunityfinance.net.