

**TESTIMONY OF HENRY BANKS IN SUPPORT OF LD 1500
APRIL 28, 2025**

My name is Henry Banks and I am executive director of Tear Cap Workshops, a rural craft school in Hiram, Maine. I strongly support LD 1500--*An Act to Establish the Maine Community Development Financial Institution Fund to Support Small Businesses, Rural Economic Development and Affordable Housing*. This bill ensures that resources like Tear Cap Workshops can strengthen Maine communities through programs that directly benefit them economically and socially.

I'll share some history of Tear Cap Workshops to show the importance of community development financial institutions like CEI. In 2016 I approached CEI about purchasing property in Hiram that had once been the Thomas Hammond & Son sawmill that closed abruptly in 2009, leaving the community bewildered and bereft. My idea was to build a non-profit devoted to hands-on learning with a number of goals: to bring an isolated, economically devastated community together; to teach usable skills in the service of generating income for local families; to become a creative hub that attracts people from outside communities to a rural Maine town; and to highlight the connection between Maine's rural environment and its history of craft. We could not have met these goals without the support, encouragement and funding from CEI.

LD 1500 is critical for our small communities that lack large industries and robust social centers. It establishes a basis for funding small businesses that contribute directly to the community. It's not necessarily about growth, but the need to keep our rural towns from losing even more population and resources. Hiram, for example, has no restaurants or even a place to buy a quart of milk. Non-profits like Tear Cap Workshops go far in providing opportunities--as well as vitality and hope.

LD 1500 recognizes that rural development also involves lending agents like CEI that can assess and manage loans and mobilize resources on behalf of worthy projects. If our rural communities are to thrive, there must be affordable housing and access to capital for families that wish to move to towns like Hiram and support them year-round. I have lived in the neighboring town of Denmark since 1981 and have seen first-hand how access to capital for projects like Denmark Arts Center and small businesses can revitalize the entire region. Maine's character is reflected in rural areas like these, and LD 1500 recognizes that Maine's community development financial institutions are key to sustainability and preservation of Maine's unique qualities.

Finally, as director of an organization that has benefited from institutions like CEI, I can attest to the impact of rural development by citing numbers. Maine residents spent our 140 hours in our Community Woodworking Shop in 2024, engaged in a variety of projects from planing wood planks to furniture making. Over 150 people attended a workshop (or several) at Tear Cap Workshops, engaged in traditional craft education like basket making, pottery, bookbinding, eco printing, woodworking and stone wall building. Participants take what they have learned and make items they can directly

use and replicate. Some students enter the artisan market, producing items for sale at fairs, farmer's markets, Etsy-type shops and their own shops. This economic benefit is important for residents far removed from business, educational and cultural centers, and has special financial benefit for our local families who homeschool.

I conclude this testimony with the words of a Tear Cap student: "I not only learned how to hand-dye, but also how to save money by growing dye plants on my own property. I will continue to get better and better at this, and plan to open my own business in hand-dyed fashion at some point." The passage of LD 1500 will enable this young resident to act on her vision for the good of us all.