SUSTAINABLE AND RENEWABLE FINANCE

KEEP FUNDING

HOW TO FUND OUR SURVIVAL AND SOCIAL INITIATIVES
DEPLOYING 1% OF LIQUID ASSETS – OVER AND OVER AGAIN!

CCFOglobal.com
The published report by the Nobel Peace Prize winning United Nations Inter-Governments Panel on Climate Change (IPCC) on 9 August, 2021, leaves no doubt. The human race is facing catastrophic disruption leading to extinction. To survive humankind must act immediately with levels of funding beyond the scope of anything heretofore imagined.

No matter how much governments tax and incur debt to address our existential needs, it will not be enough. The magnitude of what must be spent is beyond what governments alone can do. This concept paper is a call to action to fund both climate survival and to address existing social inequities.

We need a new economic perspective on how to fund existential, and major environmental, social and governance initiatives. We propose a new paradigm, **Conscientious Credit Funding** designed to involve and excite the public at large to actively participate in developing a survivable and equitable future. Our methodology generates new, sustainable, and renewable funding. To accomplish this end, there has to be a new model of politico-economics.

Imagine $Trillions of continuous renewable funding, with:

- $0 in direct government spending
- $0 increase in government debt
- $0 of new taxes

*Money is not the problem.*

As of 2020:

- $402 trillion USD Net Wealth worldwide
- $123.5 trillion USD Household Net Wealth U.S.A.
- $17.5 trillion USD ON DEPOSIT in U.S. banks.

Collectively, we have the money. How do we incentivize the deployment of net wealth into the economy? Answer: Have people keep their money!
KEEP FUNDING

The model encourages everyone to keep their money while creating the financing to:

- Create millions of new jobs
- Impact racial inequalities in wealth accumulation
- Fund Renewable Energy to combat climate change
- Build a National high-speed rail and new (retrofit) infrastructure
- Build a National Smart Energy Grid
- Expand green construction of low-income housing
- Provide Higher Education, Veterans’ and vocational training
- Expand Microfinance, and
- Stabilize a full economic recovery

*CCFO Global* outlines a theory and practices to motivate all components of society to work to benefit everyone by creating a funding mechanism for social and existential imperatives, based on one simple assumption. People who have earned money prefer to keep their money.

These are the basic axioms and qualities that form our concepts:

1. The primary role of governments is to engage in social equity and existential mission critical programs to benefit the whole of society. To do this, wealth beyond the scope of government funding must be deployed into the economy.

2. People are basically good, and they care about others. When paying back for benefits received means helping the next person in line and/or all of society, most people will accept that financial responsibility.

3. People will act in their own self-interest, especially for survival. This means investments or returns have to be re-oriented from simply dollar on dollar return on investment metrics to utility units of climate survival per dollar and measurements of social impact per dollar.
4. People feel empowered when joining in a common effort to do something larger than what they can do solely by themselves.

5. The wealthiest people have an implicit, as well as self-serving responsibility to prevent catastrophes and create more wealth.

6. Given a clear choice of losing a portion of their accumulated wealth or keeping it, most people would elect to keep it.

7. Given the proper economic incentives and safeguards, people will join together to fund massive projects.

Historical Precedent:

The power of this kind of public involvement shines in the example of funding for WWII. FDR sold “War Bonds” and the public bought them, to the tune of $187.5 Billion (approximately equivalent to $2.25 Trillion in today’s dollars). 85 million Americans (64% of the population bought the bonds to finance the war.

IF the same percentage of the population participated today, 219 million Americans would support Keep Funding. How many $Trillions could be raised and deployed over and over again?
The CCFO Keep Funding Cycle
Renewable and Sustainable Finance

How do governments, actively working with and for the public, provide adequate incentives and security for that public to leverage a portion of its net worth to expeditiously finance colossal changes on a magnitude greater than anything before?

The answer is to design a comprehensive financial system that provides fiscal rewards to people for creating credit, based on their net worth, while safeguarding their ownership and protecting their capital from any losses.

The net result of implementing such a paradigm would be to build on people being good; allow them to act in their own self-interest; fund their own survival; create a massive movement allowing individuals the empowerment to participate in making a change.

In economic terms the following Conscientious Credit Funding Organization (CCFO) Funding Cycle would provide new levels of monetary liquidity (available financing) while accelerating the velocity of capital (speed of money movement within the economy). These two factors are the hallmarks of a thriving, growing, and sustainable economy. The Funding Cycle establishes new, continuous, renewable, and sustainable funding.

The underlying principle is Credit Enhancement.

Credit Enhancement is a method whereby a borrower or a bond issuer attempts to improve its debt or credit worthiness. Through credit enhancement, the lender is provided with reassurance that the borrower will honor its repayment through an additional collateral, insurance, or a third party guarantee.

http://www.vivro.net/blog/Credit-Enhancement--An-Overview

Fundamentally, credit enhancement is as old as trade itself, whenever a third party financed an expedition or other endeavor.
CCFO’s program is simple, transparent, comprehensive, and conscientious.
Here’s how the Funding Cycle works

The program uses existing financial structures to allow people to create direct finance for projects they want to support. Initial pilot programs will originate out of corporate self-interest, market demands, corporate goodwill, altruism, and survival instinct. Partially minimized risk may be sufficient for these types of fundings.

Where more than those motivating factors are required, guarantees and insurance policies fortify the economics of a program by further reducing the risk of any net wealth principal. Governments can issue guarantees on project previously funded by taxation and more debt. These added risk mitigations open the door to public participation through celebrity promoted Master Limited Partnerships, in a manner similar to the U.S. World War Two bonds, to fund designated existential projects with individual contributions as low as $500.

In every CCFO program a clearly defined and contracted payback is built in to ensure that the Funders’ assets are released at the completion of the project.

This approach will inject $Trillions into the global economy by increasing availability (monetary liquidity) and accelerating the circulation of money (velocity of capital.)

This is the six-step process for Conscientious Credit Funding.

**DESIGN—COMPLY—FUND—FINANCE—PAY BACK—RELEASE**

(REPEAT)

1. **DESIGN** CCFO reviews and custom designs the full Keep Funding cycle, including payback, of a potential project to generate bank financing while protecting the Sponsors.

CCFO works on specific projects or mandates to define each step of the cycle to confirm all the components needed to move forward are in place to get a KEEP FUNDING project financed. CCFO Financial institutions provide the contracts to govern each step of the cycle. Each Project Operator agrees to adhere to the case-specific plan to safeguard and release the Sponsors’ collateral pledge.
2. **COMPLY** Risk Mitigation – means protecting Sponsors’ money. Insurance protections and/or Government guarantees are attached to a project, whenever corporate self-interest or altruism is not sufficient motivation.

To safeguard the Sponsors from calls on their collateral pledges, risk mitigation measures will be implemented, ranging from completion bonds and insurances to acquisition of Stop Loss Assurance bonds. Eventually, government guarantees and/or tax credits based on deposit amount and duration of pledges could further expand Keep Funding Finance. Sophisticated and good-willed individuals and corporations may decide out of self-interest to fund projects without a full spectrum of safeguards.

Construction projects will require completion bonds and a significant pre-construction investment. The entire assets of a given project and the Completion Bond are the primary sources to remedy any loan repayment shortfall.

Personal Development Programs – higher education, vocational training programs that rely on either individual beneficiaries or employer-paid placement fees for future repayment from new wages will require life, disability, and health insurances on each individual, all designed to insure full payback and release of Sponsor collateral.

- **FIRST** position: completion bonds (approximately 2% cost) where possible
- **SECOND** position: the cash flow of the specific project
- **THIRD** position: assets of the project including the initial investment equal to 25% – 35% of the total costs which include land acquisition, and project development including design, permits, and zoning.

Personal Development Programs that rely on individual beneficiaries future repayment from new wages by either themselves or their employers, will require life, disability, and health insurances on each individual, all designed to insure full payback and release of the collateral.
3. **FUND** Individuals, Public Master Limited Partnerships, corporations, trusts, charities, and foundations become Funders by going to their own banks to buy Certificates of Deposit (CDs) and execute project specific collateral pledges for operating loans to implement the project.

Everyone with some extra money ($500 to buy a Master Limited Partnership interest) and motivated by survival instincts, patriotism, self-interests, or altruistic reasons can become Sponsors.

Proposals for corporate funding will typically, but not necessarily, match up company strategic interests with enrolled programs.

**For example:**

- **Climate Survival, Renewable Energy, and Green construction** by corporations and the public at large.

- **Low-income housing** funded by lumber, housing materials and supplies companies.

- **Microfinance** funded by communications, pharmaceutical, and medical supply companies desiring emerging third world markets.

- **Vocational training** programs for Registered Nurse/Certified Medical Technician credit funded by the healthcare sector to build the workforce to lessen overtime, reduce overburdening the workforce, and improve patient care.

- **Expanded Veteran & First Responders + vocational training** funded by patriotic corporations expressing goodwill, to expand Veteran vocational training to include First Responders and the direct families and descendants of both groups.

In all of the above scenarios, the CDs remain interest-earning assets of the Sponsor/Depositor/Pledgor. Non-cash assets acceptable to the banks as pledged collateral would greatly increase further availability of funds.
4. **FINANCE** The banks confirm the specified risk mitigation measures to protect the collateral pledges and issue multi-phase monitored loans to the project managers. The projects construct, implement, and educate for beneficiaries.

The banks are happy, they get a large CD, which allows them to fund a portfolio of loans at a multiple of the CD amounts. As a prerequisite to funding the loans, the risk mitigation factors have to be met, completion bonds and earnest monies, and any specified insurances have to be purchased.

*KEEP FUNDING is also a means to address racial inequality in asset accumulation, especially at minority-owned and led banks. Lending limits per transaction are imposed on banks by the Federal Reserve based on total equity and certain ratios. Given that black-owned and led banks hold 0.0246% or 2.461/1000 (5.2 Billion of the $21.1 Trillion Total Assets of all U.S. banks –2020), the minority banks are highly restricted per transaction. A KEEP FUNDING transaction, as a fully secured loan, is exempt from those limitations and will allow minority and community development banks to grow dynamically faster than now possible.*

5. **PAY BACK** The beneficiaries and/or stakeholders (Employers) pay off the loans, either through purchase, rentals, usage fees, and sale of future revenue streams.

As designed in Step 1, beneficiaries or end users will purchase, rent, pay a usage fee, or pay toll fees to use new or retrofitted forms of sustainable energy, transportation, infrastructure, public utilities, and public works.

To address former inequities and wealth inequality, WAIVERS OF PAYMENTS will be considered for qualifying low-income beneficiaries.

On public works, infrastructure, and renewable energy projects a portion of the future revenue stream will be packaged for sale to fixed income and bond investors, such as major insurance companies.

The revenues sold will be available after deductions for ongoing management, maintenance, reserves, and where appropriate, designated operating profits. Sales proceeds will pay off the construction loans and release the collateral pledges. The
government could declare the revenue streams to be tax exempt, which would enhance pricing and sale proceeds.

Personal development program beneficiaries will contract to invest in their own future by agreeing to pay 10% – 20% of new wages to cover all costs of their education, training, insurances, and any income stipends.

In many cases Employers will agree in advance to pay a recruiting / placement fee for new employees; Hospitals acquiring RNs is a good example.

To accelerate the rate of repayment and lower the overall costs, eventually, all wages used to pay back loans must be tax-exempt—currently, this can be achieved when paying forward funds to operating charities and charitable donations.

Each and every beneficiary creates the cash flow to pay back the total cost of the project funds, including interest and costs of CCFO funding.

Low-income families pay off construction loans by purchasing their new homes with mortgages used to return all costs plus interest plus profits to the builder, which repays the bank construction loans.

Microfinanced women pay it forward by paying off their loans to the microfinance organizations to reduce the bank loan balance.

6. RELEASE The loan is paid off, Sponsors assets are free and clear from any collateral pledge... to KEEP FUNDING and do it again!

Payments from Step 5 pay off the bank operating loans for construction or education and the collateral pledges, which have been paying interest to the Sponsors, are released without cost.

Here is the most exciting part—Sponsors are free to use their funds as they wish. Perhaps they will increase their deposits for the next cycle!

Every release of collateral pledge and redeposit for a new pledge creates a continuous cycle of:

**KEEP FUNDING—SUSTAINABLE & RENEWABLE FINANCE**
The CCFO Global KEEP FUNDING CHALLENGE and METRIC

CHALLENGE:

1% of Liquid Assets deposited into Certificates of Deposit and pledged as collateral for KEEP FUNDING programs.

METRIC:

Any given entity’s KEEP Funding Score (KF Score) is the percentage of 1% of Liquid Assets of said entity deployed into the economy. If 0.5% of Liquid Assets is deployed, then the KF Score is 50; if a full 1% is deployed, then the KF Score is 100; if 2% is deployed, then the KF Score is 200.

PUBLICATION: Subject to the permission of participating Sponsors, CCFO Global will maintain and report KF Scores with quarterly updates.

Contact us to schedule a call

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Conscientious Credit Funding Organization