

The Neurology of Lending

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The Huffington Post:

Back in 1976 a young professor in Bangladesh starting making dubious low-interest loans to the rural poor of his country. Muhammad Yunus had the crazy idea that even impoverished farmers — men and women without credit history or collateral or even steady employment — could be disciplined and trustworthy in repaying small loans, and he founded the Grameen Bank to finance that vision.

Many banks eventually followed Grameen's lead, despite some serious misgivings, and "microfinance" is now a huge global enterprise. As of 2009 an estimated 74 million men and women held microloans totaling \$38 billion, and Grameen claims a repayment rate between 95 and 98 percent. For its poverty-fighting efforts, the bank and Yunus were awarded the Nobel Peace Prize in 2006.

Read the whole story: [The Huffington Post](#)

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