

The Meeting of the Advisory Committee on Economic Inclusion  
of the  
Federal Deposit Insurance Corporation  
Held in the Board Room  
Federal Deposit Insurance Corporation Building  
Washington, D.C.

Open to Public Observation via Webcast

October 7, 2021 - 1:00 P.M.

The meeting of the Advisory Committee on Economic Inclusion ("ComE-In" or "Committee") was called to order by Jelena McWilliams, Chairman of the Board of Directors of the Federal Deposit Insurance Corporation ("Corporation" or "FDIC").

Committee members present at the meeting: Raphael Bostic, President and CEO, Federal Reserve Bank of Atlanta; Naomi Camper, Chief Policy Officer, American Bankers Association; Margaret Libby, President, MyPath; Lisa Mensah, President and CEO, Opportunity Finance Network; Jonathan Mintz, President and CEO, Cities for Financial Empowerment Fund; Jennifer Tescher, President and CEO, Financial Health Network; and Christina Tetreault, Deputy Commissioner, Office of Financial Technology Innovation, California Department of Financial Protection and Innovation.

Committee Members Maurice Jones, CEO, OneTen, and Pamela Patenaude, Moultonborough, New Hampshire, were absent from the meeting.

Members of the Corporation's Board of Directors present at the meeting: Jelena McWilliams, Chairman, Martin J. Gruenberg, Director, and Acting Comptroller Michael Hsu.

Corporation staff in attendance: James L. Anderson, Rebecca L. Anseth, Amber B. Beck, Mary Calkins, Leonard N. Chanin, Karyen Chu, Justin Cole, Kymberly K. Copa, Chelsea A.

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Cruz, Debra A. Decker, Diane Ellis, Keith S. Ernst, Eric S. Fultze, Victor Galloway, Ledina Gocaj, Ryan M. Goodstein, Patricia S. Gurneau, Glenn A. Kivlen, M. Anthony Lowe, Jennah Mathieson, Sultan Meghji, Brandon Milhorn, Arthur J. Murton, Elizabeth Ortiz, Jason A. Pan, Mark E. Pearce, Nikita Pearson, Harrel M. Pettway, Nicholas J. Podsiadly, Betty J. Rudolph, Marguerite Sagatelian, Jarrod Sanders, Richard M. Schwartz, Nefretete Smith, Mia C. Sowell, Mona L. Thomas, Susan Welsh, and Lauren A. Whitaker.

Steven Key, Deputy to the Director (Acting Comptroller) Michael J. Hsu, also attended the meeting.

### **Opening Remarks**

Elizabeth Ortiz, Deputy Director for Consumer and Community Affairs, opened the meeting by noting that although several members of the Board of Directors were expected to participate, it did not constitute a meeting of the Board of Directors subject to the public notice requirement under the Government in the Sunshine Act ("Sunshine Act"). General discussions that may occur among Board members at the meeting on subjects relevant to the FDIC's responsibilities, but which do not pose specific issues for Board resolution, would not constitute a meeting required to be open to the public and subject to the Sunshine Act's notification requirements. Ortiz further stated that staff would identify any specific issues or proposals requiring further deliberation by the Board and defer those items for discussion at a later time.

Ms. Ortiz then introduced Chairman McWilliams, who presided at the meeting.

Chairman McWilliams welcomed the members to the third ComE-In meeting held virtually. Chairman McWilliams highlighted the FDIC's financial inclusion work, acknowledging that the pandemic has exacerbated the challenges facing low- and moderate-income families. Chairman McWilliams emphasized the importance of these meetings, which provide a platform for the FDIC to hear from Committee Members and expand its views on what is going on in Members' communities.

Chairman McWilliams tasked the FDIC to approach financial inclusion not only through the lens of whether someone has a checking account or credit card, but whether the financial system is working for them. Chairman McWilliams highlighted the FDIC's work to promote the creation of positive banking relationships through its #GetBanked public awareness campaign in Atlanta and Houston. She also noted the addition of consumer resources to the FDIC's website and the work of FDITech, the FDIC's new Office of Innovation, to identify tools and data that can help meet the needs of the unbanked. Lastly, Chairman McWilliams announced the launch of the Mission Driven Bank Fund ("Fund"). She noted the Fund's initial investors have pledged \$120 million to further support minority depository institutions and community development financial institutions.

Chairman McWilliams thanked the Committee members and FDIC staff, and then invited Director Gruenberg's remarks.

Director Gruenberg welcomed the Committee members and said he values their engagement and contributions to the discussion. He observed there was much to discuss at the meeting, with the uncertainty of the moment raising questions about the next few months, particularly the impact on low-and moderate-income communities and communities of color across the country. He said feedback from the Committee would be extraordinarily helpful to the FDIC. The pandemic, he said, has underscored the importance of access to the banking system for everyone in the U.S., and having an account with affordable terms has become a necessity in our economy. Hence the basic mission of ComE-In is equally or more relevant than ever. Finally, he said housing affordability has reached extraordinary severity in both the rental and homeownership markets, and the FDIC welcomes feedback from Committee Members on that issue.

Chairman McWilliams thanked Director Gruenberg for his comments. Next she invited Director Hsu's comments.

Director Hsu welcomed the Committee Members and expressed his excitement about the meeting agenda, noting that, as Acting Comptroller, reducing inequality is one of his top priorities. He underscored Chairman McWilliams' and Director Gruenberg's comments regarding the extent to which the pandemic's disparate impact on low- and moderate income communities revealed that "it's expensive to be poor." Director Hsu noted that banking

both exacerbates and alleviates that dynamic, and that the current period offers opportunities to tackle those issues head-on. He reiterated Chairman McWilliams' observation that serving those communities goes beyond simply opening the account, to demonstrating that the banking system has people's backs.

Director Hsu then expressed his interest in hearing Committee members' thoughts on cryptocurrencies, particularly as a way to increase inclusion, given his understanding that some underserved communities have adopted cryptocurrency at a disproportionately higher rate than some other populations.

Next, Chairman McWilliams introduced Mark Pearce, Director, Division of Depositor and Consumer Protection, to moderate the members' roundtable discussion.

### **Members' Roundtable**

Mr. Pearce introduced a roundtable discussion on challenges and opportunities for inclusion facing the communities and organizations the Committee members represent. The Committee members discussed a range of issues, including the following:

Member Bostic observed how cryptocurrency volatility makes it a riskier investment for low-wealth individuals. Member Bostic discussed a special committee the Atlanta Federal Reserve Bank ("Atlanta FRB") has convened focusing on ensuring that innovations in payments are inclusive. Member Bostic also mentioned the Atlanta FRB strategic priority to increase mobility and resilience and their Advancing Careers for Low-Income Families initiative. He highlighted the Career Ladder Identifier and Financial Forecaster tool, CLIFF, which helps individuals receiving public benefits map their career choices to steer them towards financial self-sufficiency. It also clarifies the incentive problems created by certain public benefits that are tied to income.

Member Camper emphasized the unified CRA rulemaking and the importance of having clear guidance. Member Camper discussed the BankOn initiative and ABA's efforts to promote adoption of certified, Bank On accounts by its members. Member Camper expressed concern about policy proposals that de-link deposit taking and lending, such as credit accounts, postal banking,

public banks, and special purpose charters. Member Camper suggested that these proposals may encourage people to stay out of the banking system and noted that some alternatives present challenges, such as uneven regulation or consumer protection. Member Camper also expressed enthusiasm for the opportunity represented by technology and innovations that can assist banks in reaching low-income consumers. Member Camper closed her comments highlighting the increase in fraud that has occurred throughout the pandemic.

Member Libby brought up the issue of non-custodial accounts for minors old enough to work, but not old enough to bank on their own. Member Libby discussed the movement among multiple organizations trying to improve financial inclusion for youth, highlighting an initiative for 'opportunity youth' who are disconnected from school and work. Member Libby highlighted pilot programs focused on providing guaranteed income and opportunities to integrate payments with bank account access and financial education. Lastly, Member Libby identified the issue of scams targeting youth and noted that her organization is trying to combat them.

Member Mensah highlighted that new resources have been committed to institutions and services fostering financial inclusion, including to Community Development Financial Institutions (CDFIs). Member Mensah reiterated the importance of the Community Reinvestment Act (CRA) and her appreciation that regulators are working together. Member Mensah also discussed the Mission Driven Bank Fund and the importance of those funds to members on Native reservations, deeply rural communities and urban areas.

Member Mintz also expressed excitement about the CRA effort underway. He added a concern that cryptocurrency may be luring people away from the mainstream banking system. Member Mintz then discussed how being unbanked hinders other local government efforts to advance economic stability, while consumers who have a banking relationship are more likely to increase savings and improve credit scores. Member Mintz provided an update regarding the Federal Reserve Bank of St. Louis' BankOn National Data Hub that aggregates the data provided voluntarily by banks offering certified BankOn accounts, citing the number of accounts opened and the degree to which these accounts are reaching consumers living in minority communities. Finally, Member Mintz expressed

excitement about the child care tax credit payments as an opportunity to integrate bank access into government programs that offer recurring, large-scale payment streams.

Member Tescher noted that having a bank account is just the beginning, and we need to start using frameworks to define and measure financial health. Member Tescher discussed Queen Maxima of the Netherlands' financial inclusion work for the United Nations. Member Tescher advocated that the FDIC reevaluate its unbanked survey to explore more than just account ownership and product usage, including the outcomes of individuals' engagement with those products. Member Tescher brought up the issue of overdraft and cited research that showed that Black and Latin households were more likely to report overdrafts than their white counterparts.

Member Tetreault discussed the work she is doing in her new role at the California Department of Financial Protection and Innovation. Member Tetreault described the work of her agency to support responsible innovation and job creation through a combination of engagement, research and synthesis. She highlighted recent reports on consumer lending and the pandemic's impact on housing and the related challenges of keeping people in their homes. Member Tetreault noted how more young people and people of color are investing in cryptocurrency and that consumer complaints regarding cryptocurrency are increasing.

Mr. Pearce summarized the topics discussed by the members.

Following the roundtable discussion, Ms. Ortiz thanked the presenters and announced that the meeting would stand in recess.

### **FDIC Inclusion Tech Sprint**

The Committee reconvened at 2:35pm. Ms. Ortiz invited Sultan Meghji, Chief Innovation Officer, to introduce the panel that shared the results of FDI Tech's recent Inclusion Tech Sprint: "Breaking Down Barriers: Reaching the Last Mile of the Unbanked."

Justin Cole, Presidential Innovation Fellow, Office of Innovation, provided an overview of the Tech Sprint. Then

Chelsea Cruz, Senior Community Affairs Specialist, described the Tech Sprint's collaborative characteristics, common themes, and challenges. Fonta Gilliam, CEO, Wellthi, then shared solutions developed by the Discover-Wellthi partnership. Next, Kate Goldman, FinTech Program Lead, Milken Institute - Team iLLuMInate, described her company's approach to user-centered design. Then Tanya Van Court, Chief Executive Officer and Founder, Goalsetter, described her company's approach to inclusive product innovation. Next, Winston Damarillo, Chief Executive Officer, Talino Ventures, and Faith Bautista, Chief Executive Officer, National Asian American Coalition, explained how their joint product, Spring, provides highly accessible loans to micro, small, and medium-sized enterprises, and explained how their partnership manages risk and retains high retain rates for small businesses.

Member Mintz asked the panelists' what the most successful strategy is for connecting the largest numbers of people to the panelists' projects, and how the panelists think about scale as it relates to their solutions.

Ms. Van Court responded that the most effective strategy for connecting people to Goalsetter's work has been to go to where people are, and to partner with entities such as the National Bankers' Association, non-profits that serve Black and Latino communities, with individual banks, and with larger organizations in the financial services sector, such as FiServe.

Ms. Gilliam agreed, and said in terms of scale, in addition to the direct-to-consumer approach, the business-to-business approach helps develop solutions that can be integrated into the banking infrastructure that already exists, to scale much faster.

Following the Inclusion Tech Sprint discussion, Ms. Ortiz thanked the panel and announced that the meeting would stand in recess.

### **Housing Assistance Programs and Market Update**

The Committee reconvened at 3:30pm. Ms. Ortiz introduced Keith Ernst, Associate Director, Division of Depositor and Consumer Protection, to introduce and moderate the panel on housing assistance programs, including a housing market update. Ryan Goodstein, Senior Economist, Division of Insurance and

Research, FDIC, provided key data points about the housing market as a frame of reference for the discussion. Prasant Sar, Supervisory Policy Analyst, Federal Housing Finance Agency (FHFA), then detailed steps his group has taken to make forbearance options and other housing support available. Next, Tonya Tyler, Vice President, National Operations, NeighborWorks America, described the important role of housing counselors across the country. Then Sonia Joyner, Director of Home Ownership Programs, North Carolina Housing Finance Agency, provided a state-level view of the challenge to delivering assistance in a timely, effective manner. Introducing Ms. Joyner, Mr. Ernst noted that North Carolina was recently recognized as one of just three states to have deployed most of its funds from the first allocation from the federal rental assistance fund. Finally, Victor Galloway, Community Affairs Specialist, Atlanta Region, described how the FDIC supports the foregoing and related efforts.

Following the panelists' presentations, Mr. Ernst welcomed comments from the Committee members. Member Mintz asked about best practices and lessons learned for ensuring that mortgage servicers are engaging productively this time around with homeowners who are in trouble.

Ms. Tyler responded by emphasizing the need to ensure that information is clear and consistent, and that mortgage servicers are connecting with housing counselors to ensure counselors and homeowners have all available information.

Mr. Sar reiterated that clarity in communication is key, including a script for servicers provided by the FHFA, Fannie Mae, and Freddie Mac that conveyed in a uniform manner what actually constitutes forbearance. He said the script countered false messages that were circulating to the public, like the requirement of a lump-sum payment at the end of forbearance. He also cited the FHFA's homeowner's pamphlet for loss mitigation, which is published on the CFPB's website. He said the FHFA also communicates directly with servicers via Frequently Asked Questions, so that servicers know the rules of the road for dealing with homeowners, particularly those in distress.

Ms. Joyner then emphasized that the state agencies have collaborated to ensure they are all speaking the same language when communicating with servicers. Now that each state has



access to relief funds, she said, the state agencies want to ensure borrowers across the nation are treated similarly.

Mr. Ernst then asked the panelists for their key takeaways from the current pandemic, and whether they see a need for adjustments going forward, as consumers need differential assistance as current supports are withdrawn over time, such as changes in unemployment compensation, or changes in foreclosure and eviction moratoriums. Mr. Sar responded that the FHFA is concerned about homeowners who have been in forbearance a long time, which necessitates dynamic adjustments. He contrasted the current housing crisis with the previous crisis, in that the pandemic crisis is very uneven, with many peaks and troughs, whereas the prior crisis featured staggering unemployment, house prices declined significantly over an extended period, and both the economy and its hardships are quite different now. He emphasized that FHFA, Fannie Mae and Freddie Mac remain prepared to institute changes as the data evolves.

Mr. Ernst then asked the panel for any closing thoughts. Ms. Tyler responded that in addition to conversations like this, staying connected and in communication to share information within their network is key to understanding what is happening in real time. Ms. Joyner agreed, adding it was helpful to her, at a state agency, to hear the work others are doing, which helps counter any silo effect. She also said that panels like this help get the word out that funding and assistance are available for individuals struggling with foreclosure and eviction. Mr. Galloway emphasized the importance of being the trusted advisors to counter consumers' fear of misinformation about forbearance or other options that breeds hesitancy to seek help. Relatedly, he stressed the importance of delivering consistent communication to bolster credibility.

### **Tax Time Opportunity to Expand Account Access**

Following the housing panel, Ms. Ortiz thanked the participants and introduced Mia Sowell, Senior Community Affairs Specialist, Division of Depositor and Consumer Protection, to moderate the final panel of the day, concerning tax season opportunities to expand account access and financial well-being.

Ms. Sowell provided highlights of the recent public awareness advertising campaign to encourage unbanked individuals to join the banking system. Then she introduced the panelists, who presented as follows:

Jenny Vongxay, Volunteer Income Tax Assistance (VITA) Program Coordinator, Connecticut Association of Human Services (CAHS), described how CAHS and VITA programs help families claim and receive the child tax credit, and provide other tax and banking assistance. Next, Daniel Dodd-Ramirez, Assistant Director, Office of Community Affairs, CFPB, described how his federal agencies and others partner with VITA and similar programs, to ensure families receive their tax refunds and child tax credits.

Ms. Sowell thanked the presenters and welcomed questions from Committee members. Member Camper commented with regard to the data that most banks no longer consider BankOn accounts as "second chance accounts." Instead, she said the data shows the number of people who lack other options besides opening a BankOn account roughly equals the number of people who can choose a full service account but make the affirmative choice to open a BankOn account, eliminating any previous stigma.

Member Camper then asked Ms. Vongxay what CAHS and the VITA program could use from regulators and trade associations to ensure proper collaboration, and whether most of the people who come to VITA are already banked, and how VITA overcomes any hesitation to open an account. Ms. Vongxay responded that most VITA clients already have bank accounts, but during tax season many seek help contacting the IRS after changing banks, or otherwise receive their refunds or credits into a different account. She said VITA discourages clients from using third-party accounts that can divert and delay refunds, credits and economic impact payments. Meanwhile VITA advises clients to open BankOn accounts.

Ms. Sowell then asked Mr. Dodd-Ramirez for resources or services the CFPB offers to families interested in preserving their tax refunds, noting that this year many families could receive their largest refunds ever. Mr. Dodd-Ramirez cited CFPB's virtual financial coaching programs, as well as the CFPB's Covid Response web page.

**Closing Remarks**

Following the final panel, Ms. Ortiz thanked all who dedicated their time to the meeting, and then invited Chairman McWilliams to provide closing remarks.

In closing, Chairman McWilliams thanked staff as well as Committee members for their comments and the work they perform on the ground. She also expressed her hope that Committee members, staff, and their families remain safe, and that the next meeting would be in person.

There being no further business, the meeting adjourned at 4:52 p.m.

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Debra A. Decker  
Deputy Executive Secretary  
Federal Deposit Insurance Corporation  
And Committee Management Officer  
FDIC Advisory Committee on Economic  
Inclusion

Minutes  
of  
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I hereby certify that, to the best of my knowledge, the attached minutes are accurate and complete.

Jelena McWilliams  
Chairman  
Board of Directors  
Federal Deposit Insurance Corporation