

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

May 24, 2023 - 9:00 A.M.

The meeting of the FDIC Advisory Committee on Economic Inclusion (ComE-IN or Committee) was called to order by Martin J. Gruenberg, Chairman of the Board of Directors of the Federal Deposit Insurance Corporation (Corporation or FDIC).

The members of ComE-IN present at the meeting were Steven L. Antonakes, Executive Vice President for Enterprise Risk Management, Eastern Bank; Marla Bilonick, President and CEO, National Association for Latino Community Asset Builders; Michael Calhoun, President, Center for Responsible Lending; Naomi Camper, Chief Policy Officer, American Bankers Association; Thomas Foley, Executive Director, National Disability Institute; Kenneth Kelly, Chairman and CEO, First Independence Corp and First Independence Bank; Margaret Libby, CEO and Founder, MyPath; Brandee McHale, Head of Community Investing and Development, Citi and President, Citi Foundation; Jonathan Mintz, President and CEO, Cities for Financial Empowerment Fund; Jennifer Tescher, President and CEO, Financial Health Network; and Susan Weinstock, President and CEO, Consumer Federation of America.

Raphael Bostic, President and CEO, Federal Reserve Bank of Atlanta was absent from the meeting.

Members of the Corporation's Board of Directors present at the meeting were Martin J. Gruenberg, Chairman; Travis J. Hill, Vice Chairman; Jonathan P. McKernan, Director; and Rohit Chopra, Director (Director, Consumer Financial Protection Bureau).

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Corporation staff who attended the meeting included Kevin M. Acotto, James L. Anderson, Daniel H. Bendler, Tawanta L. Brinson, Sylvia W. Burns, Renee Cash, Gary L. Clayton, Angela Dena, Debra A. Decker, Paola L. Diaz, Lewis Dorman, Camron A. Doss, Ashley E. Emerson, Keith S. Ernst, Sheila R. Finlayson, Gregory E. Fitzgerald, David J. Friedman, Fasil Getachew, Jamie Z. Goodson, Shannon N. Greco, Patricia S. Gurneau, Mark L. Handzlik, Terri R. Hansen, Sean M. Healey, Deva Helmand, Nicholas S. Kazmerski, Glenn A. Kivlen, Yan Y. Lee, Brandon Milhorn, Jonathan N. Miller, Patrick M. Mitchell, Elizabeth Ortiz, Mark E. Pearce, Nikita Pearson, Jon Pogach, Ryan M. Rappa, David E. Ramos, James P. Sheesley, Tyler A. Smith, Mia C. Sowell, Jacqueline R. Steller, Mona L. Thomas, Jeffrey Weinstein, Lauren A. Whitaker, and Kenneth R. Worthey.

Chairman Gruenberg presided over the proceedings. Elizabeth Ortiz, Deputy Director, Consumer and Community Affairs, Division of Depositor and Consumer Protection (DCP), and the Committee's Designated Federal Officer, served as moderator.

Opening Remarks

Chairman Gruenberg opened the meeting by thanking the members for their willingness to serve on the Committee. He then invited Ms. Ortiz to read a notice regarding the Government in the Sunshine Act (Sunshine Act). The statement explained that the meeting is not a meeting of the FDIC Board of Directors under the Sunshine Act. She explained that the Board members present at the meeting would only engage in general or preliminary discussions that do not relate to specific proposals for action pending before the FDIC, and that any specific issues for Board resolution will remain open for full consideration by the Board at a later date.

Following Ms. Ortiz's statement, Chairman Gruenberg continued his welcoming remarks, making mention of the national Bank On conference that occurred the day prior to the Committee's meeting and commenting on the increased availability and utilization of those accounts. He welcomed the newest member of the Committee: Susan Weinstock, President and Chief Executive Officer of the Consumer Federation of America. He concluded his remarks with a preview of the meeting agenda.

Chairman Gruenberg then recognized the other FDIC Directors in attendance and invited them to make remarks. Vice Chairman

Hill, Director McKernan, and CFPB Director Chopra each made remarks to the Committee.

Following these remarks, Chairman Gruenberg invited Ms. Ortiz to introduce the first presentation.

Identifying Bankable Moments - Sharing Successful Applications

Ms. Ortiz introduced Jacqueline Steller, Program Specialist, DCP to moderate this panel discussion. Ms. Steller explained that the discussion would be comprised of two parts. The first panel, regarding facilitating account access during the COVID-19 pandemic, involved Mia Sowell, Senior Community Affairs Specialist, DCP; Linda Chero, Chief Disbursing Officer, Bureau of the Fiscal Service, U.S. Department of the Treasury; and Donald Dill, Senior Tax Analyst, National Partnerships, Stakeholder Partnerships, Education, and Communication, Internal Revenue Service (IRS), U.S. Department of the Treasury. The second part addressed how trusted intermediaries facilitate account access at the local level and how the U.S. Department of Veterans Affairs, working with non-profit organizations, has been successful in getting veterans banked. This segment involved Andia Dinesen, Executive Vice President of Communications and Operations, Association of Military Banks of America, and Sue Rogan, Director of Strategic Partnerships, CASH Campaign of Maryland.

Ms. Sowell, Mr. Dill, and Ms. Chero began by discussing the effectiveness of inter-organization cooperation among the FDIC, IRS, the American Bankers Association (ABA), the Independent Community Bankers (ICBA) and other intermediaries to distribute Coronavirus Aid, Relief, and Economic Security (CARES) Act Economic Impact Payments. The presenters emphasized the importance of using trusted organizations to distribute information and noted their success in converting over 70 million payments by check into electronic deposits. Then, Ms. Rogan and Ms. Dinesen discussed their successful outreach campaigns with the Maryland Division of Unemployment Insurance and the U.S. Department of Veterans Affairs, respectively.

Following the presentation, Committee members provided some comments and asked a number of questions. Topics discussed included: the difficulty of overcoming distrust in the IRS in low- and moderate-income communities; building organizational trust between state governments and non-profit organizations for effective outreach; the future funding of outreach programs; and

lowering fees and customer requirements to further expand access for unbanked individuals.

At the conclusion of this discussion, the meeting stood in recess from 10:35 a.m. to 10:50 a.m.

Setting the Stage for Financial Success

After the recess, Ms. Ortiz introduced the moderator of the next panel, Kenneth Worthey, Senior Community Affairs Specialist, DCP. Mr. Worthey explained that this discussion would also consist of two parts: on-ramps to the financial system for young people and self-sufficiency programs for those for those on housing assistance. He introduced the panelists: Michelle Hammonds, Director, Office of Financial Empowerment and Education, District of Columbia Department of Insurance, Securities, and Banking; Arellia Lisa Hinton, Assistant Vice President, Industrial Bank; Jayme Brown, Director of Community and Supportive Services Division, U.S. Department of Housing and Urban Development; and Biljana Jesic, Director of Community Services, Home Forward - Housing Authority of Portland, Oregon.

The panel began with Ms. Hammonds presenting on D.C.'s Bank On program, which aims to improve financial literacy, build credit histories, and overall financial security to unbanked and underbanked individuals. Ms. Hammond also highlighted how Bank On D.C. Summer Youth program is a local collaboration including the D.C. government, financial institutions, and community organizations to provide access to affordable financial products and services to unbanked and underbanked individuals, including youth. Ms. Hammonds noted that Bank On DC created virtual lessons and provided outreach during COVID-19. She explained that the overall program approach is to provide outreach to youth, facilitate the account opening process, enroll them into direct deposit, and offer financial education at orientation as well as ongoing experience-based training. Ms. Hinton then talked about Industrial Bank's success in offering non-custodial accounts to young people as both an opportunity to develop a consumer relationship and to teach financial literacy.

The panel continued with Ms. Brown presenting on the U.S. Department of Housing and Urban Development's Family Self-

Sufficiency Program. She explained the scope of the program and how it helps residents in public housing increase their economic self-sufficiency by providing financial incentives to help residents build savings through escrow accounts that are overseen by case managers. Ms. Brown noted that these savings can be used to help residents enter the job market, advance their education and continue to increase earnings while living in public or multi-family housing. Ms. Brown outlined the success of the program, noting that within one year of completing the program, 27 percent of participants no longer needed rental assistance and were able to exit public housing.

Finally, Ms. Jesic presented on the growth and success of Portland's Home Forward, a housing authority that develops affordable housing and social services. She highlighted how the program's voluntary nature and long-term partnership fostered trust and engagement with its participants.

Following the presentation, members provided some comments and asked a number of questions. Topics discussed included: setting the stage for financial success including a focus on youth account access and financial education, as well as, a HUD housing assistance program; effects of peer-education and trust building among young consumers and financial institutions; factors that lead to the programs' many successes; the positive impact of financial literacy and education; and the funding needs to grow the programs.

At the conclusion of this panel, the meeting stood in recess from 12:13 p.m. to 1:29 p.m.

Members Roundtable

Ms. Ortiz next moderated the members' roundtable discussion. The Committee members discussed a broad range of topics, including the following: overdraft fees, the CFPB's proposed credit card late fee safe harbor, the results of the Financial Health Pulse Survey, and the growth in the number of bank offering certified Bank On accounts. Several members discussed racial justice issues, including ways to address racial inequality, racial disparities in housing and financial services, the racial wealth gap, and building trust between

banks and minority communities. One member specifically highlighted accessibility issues for individuals with disabilities. Members also discussed a number of other topics including the effects of the current high-interest rate environment on borrowers and NSF fee and overdraft reform. Additionally, members provided updates on current happenings and work streams occurring at their organizations.

At the conclusion of this discussion, the meeting stood in recess from 2:57 p.m. to 3:07 p.m.

Establishing Special Purpose Credit Programs (SPCP)

Ms. Ortiz introduced the moderator of the final panel of the day, Paola Diaz, Senior Community Affairs Specialist, DCP. Ms. Diaz made introductory remarks regarding SPCPs and introduced the panelists: Gary Clayton, Senior Examination Specialist, DCP; Chad Gourley, Manager, Retail Lending Products, Zions Bank; and Gabe Del Rio, President and CEO, Homeownership Council of America.

Mr. Clayton began the panel by providing a general overview of SPCPs consistent with the Equal Credit Opportunity Act (ECOA) and Regulation B, followed by a timeline of events leading to the February 22, 2022 SPCP Joint Interagency Announcement; then, he broadly explained the written regulatory requirements to establish SPCPs to meet the credit needs of specified classes of persons; and provided an overview of the FDIC procedures to review SPCPs. Next, Mr. Gourley shared his institution's experience implementing its SPCP called Zion's Bancorporation Small Business Diversity Banking Program.

Finally, Mr. Del Rio described objectives of the Homeownership Council of America (HCA), discussed SPCP considerations for mortgage lenders, and described the Mortgage Bankers Association and the National Housing Alliance Online Toolkit for Special Purpose Credit Programs in Underserved Communities, HCA's Community Lending Initiatives in Mortgage Banking (CLIMB) Program and National SPCP Equity Down Payment Assistance Program.

Following the panel presentation, Committee members provided comments and asked a number of questions. Topics discussed included: the number of institutions offering SPCPs; the credit evaluation criteria for SPCP participants including

the use of credit scores and other factors; the interaction of SPCPs with fair lending regulations; measuring the impact of SPCPs; and marketing SPCPs effectively.

Closing Remarks

Chairman Gruenberg delivered closing comments on the content of the final presentation and thanked the members and the staff for their contributions to the meeting.

There being no further business, the meeting was adjourned at 3:56 p.m.

Debra A. Decker
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.

Martin J. Gruenberg
Chairman
Board of Directors
Federal Deposit Insurance Corporation