

The Meeting of the FDIC 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 13, 2021 - 1:00 P.M.

The meeting of the FDIC 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").

The members of ComE-IN present at the meeting were Raphael Bostic, President and CEO, Federal Reserve Bank of Atlanta; Naomi Camper, Chief Policy Officer, American Bankers Association; Maurice Jones, CEO, OneTen; Margaret Libby, President, MyPath; Lisa Mensah, President and CEO, Opportunity Finance Network; Jonathan Mintz, President and CEO, Cities for Financial Empowerment Fund; Pamela Patenaude, Moultonborough, New Hampshire; Jennifer Tescher, President and CEO, Financial Health Network; and Christina Tetreault, Senior Policy Counsel, Consumer Reports.

Members of the Corporation's Board of Directors present at the meeting were Jelena McWilliams, Chairman, Martin J. Gruenberg, Director, and Dave Uejio, Acting Director, Consumer Financial Protection Bureau. Jonathan Miller, Designated Federal Officer for the Committee and Deputy Director, Division of Depositor and Consumer Protection, also was present at the meeting.

Corporation staff who attended the meeting included Sylvia W. Burns, Leonard N. Chanin, Karyen Chu, Kymberly K. Copa, Carolyn D. Curran, Debra A. Decker, Paola L. Diaz, Diane Ellis,

Keith S. Ernst, Richard B. Foley, John Gonzalez, Shannon N. Greco, Patricia S. Gunneau, Christina Hsu, Elaine M. Hunter, Arleas Upton Kea, Jennifer Lassiter, M. Anthony Lowe, Christopher Lucas, Zunera Mazhar, Sultan Meghji, Jonathan N. Miller, Arthur J. Murton, Elizabeth Ortiz, Jason A. Pan, Mark E. Pearce, Nikita Pearson, Harrel M. Pettway, Russell G. Pittman, Nicholas J. Podsiadly, Luke W. Reynolds, William A. Rowe III, Betty J. Rudolph, Marguerite Sagatelian, Richard M. Schwartz, David L. Sharp, Nathan T. Sis, Mia C. Sowell, Maureen E. Sweeney, and Mona Thomas.

Chairman McWilliams opened and presided at the meeting. Jonathan Miller, Deputy Director, Division of Depositor and Consumer Protection, moderated the proceedings.

#### **Introductory Remarks**

Chairman McWilliams welcomed Committee members to the virtual meeting, acknowledging that Director Gruenberg and Acting Director Uejio, both members of the FDIC's Board of Directors were present. Chairman McWilliams noted that the FDIC has made significant improvements in recent years in reaching unbanked Americans, but that, despite such progress, the pandemic exacerbated economic and health challenges facing low and moderate-income families. Chairman McWilliams expressed appreciation to the Committee members for the work that they are doing in their communities and for the input that they provide to the FDIC.

Chairman McWilliams then invited opening comments from Director Gruenberg and Acting Director Uejio. After thanking Committee members for their participation, Director Gruenberg acknowledged the work of the advisory committee and FDIC staff in developing the safe account template, which served as the basis for the Bank On account that is now being promoted by the Cities for Financial Empowerment (CFE) Fund and offered by banks across the country. Next, Acting Director Uejio noted that racial and economic equity is a central focus for the Consumer Financial Protection Bureau. He emphasized the importance of freedom from discrimination and access to capital for underserved communities.

Chairman McWilliams then turned the meeting over to Mr. Miller to introduce the first panel.

## Members Roundtable

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

Member Bostic discussed a new initiative, the Special Committee on Payments Inclusion, which is a follow-up to a whitepaper released in September of 2020 on increasing economic mobility and resilience and promoting safer innovation in payments. Member Bostic noted that the white paper discusses innovations in payments and unintended consequences, such as excluding those who use cash and those who lack access to a credit or debit card.

Member Mintz observed that the pandemic has shown the importance of banking access, such as the longer wait times to receive economic impact payments for people who did not have a bank account. Member Mintz noted that the IRS has an opportunity to use its direct payments, such as child tax credit payments, to cover the last mile for banking the unbanked. Member Mintz pointed out that the interactive portal from the Internal Revenue Service (IRS) for the first stimulus payment directed people to Bank On accounts and to the FDIC if they did not have a bank account.

Member Camper agreed with Member Mintz that July is a banking access moment since millions of families will receive the first of recurring monthly payments for child tax credits. Member Camper expressed a desire for the IRS to re-launch its "Get My Payments" portal, which it had done for the first round of stimulus payments as doing so would allow people to avoid check-cashing and other fees and safety issues that go along with getting a paper check. Member Camper suggested that the Bank On initiative and FDIC's efforts to expand access to banking have been very helpful. Member Camper noted that the pandemic showed why bank accounts are important, such as to receive payments for the Paycheck Protection Program (PPP) and economic impact payments. Member Camper also discussed fraud

issues related to the pandemic that banks and their customers have been encountering.

Member Patenaude reported on progress in Puerto Rico for community development block grant disaster recovery funding. Member Patenaude discussed her work with several states on implementing the Home Ownership Assistance Fund program appropriated under the American Rescue Act.

Member Tescher discussed research from the Financial Health Network including a paper on the uses, payment methods, and costs to recipients of Economic Impact Payments. Member Tescher recommended that the IRS not just set up a portal to allow people to enter direct deposit information but that they enable taxpayers and recipients of the child tax credit to apply for and open a bank account through the portal. Member Tescher indicated that financial services firms have a role to play in closing racial gaps and they need to gather and disaggregate data to understand what those gaps look like.

Member Libby discussed the need to extend banking to working young people who are old enough to have a job and earn income but not old enough to bank on their own, which presents a challenge for young people who do not have adults in their lives. Member Libby suggested that secure technology built around the work permitting process could enroll young people or help them with the "Know Your Customer" process for banking. Member Libby described projects to expand banking access, credit access, and access to financial coaches.

Member Tetreault discussed the potential crisis when student loan payments resume and the concerns about how restarting repayment will happen. Member Tetreault also noted incidences of fraud, such as identity theft, targeting people who are at the economic margins and an increase in complaints and errors related to credit reporting.

Member Mensah discussed the role of Community Development Financial Institutions (CDFIs) as specialists in lending to low-income communities and opportunities for CDFIs to partner with other organizations, including banks, to promote economic inclusion. Member Mensah mentioned that funding to CDFIs under the Coronavirus Aid, Relief, and Economic Security (CARES) Act will enable CDFIs to promote economic inclusion. Member Mensah

noted the importance of relationships in banking, and that PPP showed that banks could not reach all small businesses and non-profits.

Member Jones discussed the OneTen Coalition, a coalition of companies who are committed to making their hiring and promotion practices more inclusive. The coalition hosts a forum for corporate leaders to share best practices regarding hiring, advancement, and retention and is building wraparound services like transportation, childcare, housing and coaching.

### **Expanding Inclusion Through Technology**

Mr. Ernst, the moderator for the panel, introduced the panelists: Sultan Meghji, Chief Innovation Officer at the FDIC, and David Ehrich, Co-Founder and Executive Director, Alliance for Innovative Regulation (AIR). Mr. Ernst explained that both qualitative and quantitative research has shown that mobile financial services are helping inclusion efforts. Mr. Ernst narrowed the focus of this panel discussion to the more general question of how to foster the responsible adoption of technology to support economic inclusion.

Mr. Ernst explained that Mr. Meghji heads the Innovation Office at the FDIC and asked Mr. Meghji to explain the objectives of the new office. Mr. Meghji stated that the new office focuses on bringing innovation to the FDIC and member organizations. Mr. Meghji indicated the office has two main objectives: (1) innovating internal processes and (2) getting external players to engage with internal innovations.

Mr. Ernst asked Mr. Meghji a follow-up question about building a banking system for all Americans. Mr. Meghji recognized the direct line between access to banking and economic empowerment for all groups of Americans. Mr. Meghji divided his answer into four themes: (1) inclusion; (2) resilience; (3) amplification; and (4) the future.

Mr. Meghji explained that the Bank On initiative has a positive impact on the underbanked and unbanked communities. Mr. Meghji stated that the second theme, resilience, consists of building a banking system aware of threats like cyber-attacks and plan for the disruptions that these activities will create. Mr. Meghji described amplification as cutting down the amount of

time that experts use in legacy processes so they can focus on doing their jobs. Finally, Mr. Meghji emphasized that his office is looking to secure America's position as the leader of banking innovation.

Mr. Ernst asked Mr. Meghji how his office will bring innovation to the FDIC. In response, Mr. Meghji described different categories that will facilitate innovation, including dialogue, engagement, and transparency. Mr. Meghji added that throughout these processes the innovation office looks to provide more information to all stakeholders.

Mr. Meghji then provided background on how his past experiences have given him insight into how technology can help inclusion efforts. Mr. Meghji explained that the regulators must look for technological innovations that will help put forward creative solutions that are safe and sound.

Mr. Ernst then asked Mr. Ehrich questions. Mr. Ehrich was first asked about his organization, AIR. Mr. Ernst stated that AIR believes that regulators should have less friction in their daily work so that they can analyze and identify supervisory concerns earlier, and prevent consumer harm.

Mr. Ehrich explained that AIR has three strategic pillars: educate, accelerate, and standardize. Mr. Ehrich said that through education the regulatory world can create new technological innovations. Mr. Ehrich stated that AIR seeks to accelerate the adoption of these innovations across the world until they are standardized.

Mr. Ernst then asked Mr. Ehrich to explain the term "tech sprint." Mr. Ehrich recognized that technologists actually equate this term to "hackathons." Mr. Ehrich said that tech sprints are when a group of people come together to put on an event where diverse participants competitively problem solve in a short period of time. Mr. Ehrich further explained that these diverse participants are regulators and technologists that come from different backgrounds to offer unique perspectives.

Mr. Ernst then invited the Committee members to ask the panelists questions. Member Tetreault asked the panelists about the potential impact that blockchain and cryptocurrency could have on inclusion efforts. Mr. Ehrich said that blockchain is

perhaps outside of the purview of the FDIC, but it could make processing payments much cheaper, which would result in lower costs for consumers. Next, Mr. Meghji asked Mr. Ehrich about his plan to make the changes discovered at tech sprints more systemic. Mr. Ehrich said that AIR's solutions are on an open source network that allows anyone to access the solutions. Mr. Ehrich explained that this availability will allow for global adoption leading to systemic changes.

#### **Expanding Account Access: #GetBanked**

The Committee reconvened at 3:45 pm. Mr. Miller introduced Elizabeth Ortiz, Deputy Director in the Division of Consumer Protection at the FDIC, who moderated the panel. Ms. Ortiz described the #GetBanked initiative as a three-pronged effort to motivate unbanked consumers to begin a banking relationship and open an account. The three prongs of such effort are more banks offering accounts, increased consumer awareness about the benefits of a banking relationship, and strong local networks that act as a bridge between consumers and communities that need access to financial services. Ms. Ortiz then introduced FDIC staff members participating in the panel on expanding account access.

Mia Sowell, Senior Community Affairs Specialist at the FDIC, described the three main goals of the #GetBanked initiative, which are: to increase consumers' awareness of secure and affordable bank accounts; to help consumers safely open a bank account; and to maximize engagement with local community partners who work directly with low- and moderate-income communities. Ms. Sowell described the three categories of collaborative partners, which include government agencies, bank trade associations, and intermediaries that help the FDIC reach consumers, and the benefits of working with such partners. Ms. Sowell described efforts through the FDIC's regional community affairs teams, as well as efforts from its Washington office, to promote the message about getting banked.

Luke Reynolds, Section Chief in the Division of Depositor and Consumer Protection at the FDIC, described the launch of public awareness campaigns in Atlanta and Houston to encourage people to join the banking system. Mr. Reynolds said Atlanta and Houston were selected based on data from the 2017 FDIC national survey of unbanked and underbanked households, strength

of the local Bank On coalition to connect people to banks, and other factors. Mr. Reynolds indicated the FDIC will review the results of its advertising campaign later this year and next year, when the next Bank On survey data comes in, and formulate next steps based on it.

Ms. Ortiz offered Committee members the opportunity to share comments or ask questions. Member Mintz discussed the CFE Fund's experience with direct advertising about banking, including a digital advertising campaign, and indicated that people were very persuadable on moving from being unbanked to banked. Member Tescher said research showed that it is challenging to connect account acquisition or account access with financial education. Member Tescher supported financial institutions embedding information, tools, and advice in a real time fashion that enables consumers to make choices.

Elaine Hunter, Atlanta Regional Community Affairs Specialist at the FDIC, discussed community-based partnerships in Atlanta and four strategies the FDIC is employing there. Ms. Hunter said the strategies are informing and equipping community-based organizations and partners about the FDIC's economic inclusion materials, engaging Bank On Atlanta, informing bankers about Bank On Atlanta and encouraging them to offer certified Bank On accounts, and participating at speaking engagements where Bank On certified accounts are promoted.

John Gonzalez, Dallas Regional Community Affairs Specialist at the FDIC, reported the FDIC has collaborated with community partners in Houston to increase account access among the unbanked. Mr. Gonzalez said that as part of the public awareness campaign, the FDIC has had speaking engagements and co-hosted a series of six weekly webinars sponsored by Bank On Houston. Mr. Gonzalez also described educational events in Texas that the FDIC has participated in or hosted.

David Rothstein, Senior Principal at CFE, described the Bank On program, which include certified accounts that meet Bank On's national account standards. Mr. Rothstein said Bank On works with coalitions around the country to promote such accounts and integrate such accounts with public programs and services where payments are being made, and researches how the unbanked can get bank accounts.



Rob Morgan, SVP Innovation and Strategy at the American Bankers Association (ABA), discussed the ABA's work with CFE and Bank On. Mr. Morgan said the ABA stood up a committee to strengthen the relationship between banks and their core providers, which provide technology infrastructure, and thus promote Bank On adoption. Mr. Morgan said the ABA is sharing success stories to encourage banks to offer Bank On accounts.

In response to a question by Member Camper, Ms. Hunter encouraged banks to promote the accounts not only to consumers, but also to other banks, and to be more available to community-based organizations.

#### **Closing Remarks**

Chairman McWilliams shared closing remarks thanking panelists, moderators, staff, and Committee members and indicated the next meeting will be on Thursday, October 7.

There being no further business, the meeting was adjourned at 4:56 p.m.

---

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

Minutes  
of  
The Meeting of the FDIC Advisory Committee on Economic Inclusion  
of the  
Federal Deposit Insurance Corporation  
Held Via Webcast  
Federal Deposit Insurance Corporation Building  
Washington, D.C.  
Open to Public Observation  
May 13, 2021 – 1:00 P.M.

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