

July 7, 2008

Robert E. Feldman  
Executive Secretary  
Attention: Comments/Legal ESS  
Federal Insurance Corporation  
550 17<sup>th</sup> Street, NW  
Washington, DC 20459

RE: RIN 3064-AD28

Dear Mr. Feldman:

On behalf of the Sargent Shriver National Center on Poverty Law, a Chicago-based, policy development and advocacy organization, I write this letter in support of the FDIC's Interim Final Rule to permit state non-member banks to participate or assist in financial education programs conducted on school premises, including the receipt of deposits, payment of checks, or lending of money. When a bank conducts these services as part of a school-based financial literacy program, it should be allowed to proceed without submitting a branch application.

The FDIC must encourage banks to promote financial education in schools and create partnerships with underserved communities. According to a recent study by the Brookings Institution, moderate and lower-income households pay over \$8 billion in fees to non-bank check cashing and short-term loan providers and a full-time worker could potentially save as much as \$40,000 during his career by relying on a lower cost checking account instead of check-cashing services<sup>1</sup>. This demonstrates both the need for and potential of introducing financial education programs for youth that guide them towards mainstream financial services.

The Shriver Center coordinated the effort in Chicago to open the Curie Branch of Park Federal Savings Bank at Curie High School, produced the *Guide to Establishing Bank Branches in High Schools* and the *Branching Out* video on teen bank partnerships<sup>2</sup>.

By waiving the branch application requirement, more banks will reach unbanked and underserved populations in a safe and familiar setting, learn more about local needs, develop creative strategies for outreach, and develop a more culturally competent workforce. The FDIC's Interim Final Rule will encourage bank support for school-based financial education programs that promote hands-on activities, peer learning, family literacy, and career training.

The Shriver Center's Community Investment Unit takes action against poverty on three fronts: building assets, expanding ownership, and protecting consumers. Through progressive policy and effective advocacy, the CIU helps communities avoid a cycle of debt, making asset ownership available and sustainable for everyone.

Sincerely,

Dory Rand  
Supervising Attorney  
Community Investment Unit  
Sargent Shriver National Center on Poverty Law

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<sup>1</sup> Matt Fellowes, Brookings Institution, *Banking on Wealth: America's New Retail Banking Infrastructure and Its Wealth Building Potential* (January 2008), page 6, available at [http://www.brookings.edu/reports/2008/-01\\_banking\\_fellowes.aspx](http://www.brookings.edu/reports/2008/-01_banking_fellowes.aspx)

<sup>2</sup> For more information, please see [www.povertylaw.org/advocacy/community-investment](http://www.povertylaw.org/advocacy/community-investment).