



FINANCIAL SERVICE CENTERS OF AMERICA, INC.
A NATIONAL TRADE ASSOCIATION

Presentation to

**The Federal Deposit Insurance Corporation
Advisory Committee on Economic Inclusion**

**Preliminary Reading
for
October 24, 2007
Presentation**

Mission Statement

Introduction:

FDIC's Advisory Committee on Economic Inclusion (ComE-IN) was created to research, review and determine best ways to address the financial needs of low to moderate income consumers, those often perceived as under-served or un-served by the traditional financial services community. The stated mission of the Advisory Committee is an admirable one. However, the deliberations of the committee seem to take a course, or direction, which raises two questionable and erroneous assumptions:

1. That the services currently being provided are inadequate or unacceptable.
2. That there is a belief in many quarters that the banking industry holds the answer in providing and enhancing those services.

It is submitted that these limited viewpoints do not serve this segment of the population well, evidences a lack of awareness of needs and wants of the population, nor will help in creating the most effective programs to address the objectives of this Advisory Committee.

Through its presentation before the Advisory Committee, the Financial Services Centers of America will seek to dispel the myths about this consumer population, illustrate why “banking” is not the only choice or solution for financial issues facing these consumers, and outline the most direct way of reaching these consumers – through the Financial Service Centers already serving this market.

Only through a true understanding of this consumer population, its financial patterns and its actual needs, can the Advisory Committee effectively create, propose and support solutions to the concerns it seeks to address. That must include a thorough knowledge of the products and services that this consumer already uses to manage their personal and family finances. Additionally, there needs to be an awareness and knowledge about the dynamic and innovative industry already servicing the consumer base.

FiSCA, which represents this industry, intends to present statistics and data about the consumer, the products and services on which they currently depend, the size and scope of the Financial Services industry that serves them, and make specific recommendations for the Advisory Committee and the FDIC to consider as it seeks to achieve its objectives. Through the decades of community presence, the experience in providing a variety of products and services and the thousands of stores and outlets operated by Financial Service Centers in this nation, we provide a direct link and a vital resource to the Advisory Committee in reaching and servicing this consumer base. In partnership, we offer these resources to the Advisory Committee in not only developing solutions, but in implementing programs to address this market.

In brief, our mission will include:

Mission of Presentation Before FDIC ComE-IN:

- ✓ ***Educate the Committee and the FDIC about the Consumer Market They Seek to Reach and the Services that Already Exist:*** This consumer base already has access to vital financial services that are provided directly by thousands of centers nationwide. These Financial Service Centers comprise a sophisticated and innovative industry that is regulated in 38 states and that meet the needs for millions of consumers each year. For 20 years, FiSCA has been the national association representing these centers – and, as such, provides a valuable resource and even a direct solution.
- ✓ ***Outline How FiSCA Provides a Gateway to this Consumer Base:*** Financial Service Centers already have direct relationships and links to the consumer market that this Committee has targeted. As such, FiSCA and FSCs provide the most direct opportunity to reach and engage these consumers through programs that the Committee may seek to create.
- ✓ ***Underscore why a partnership with FiSCA, as Opposed to Reliance on Banks Alone is the Most Effective Avenue:*** FSCs operate directly within the communities where this consumer lives and works, providing immediate access to services and other innovative solutions. Even where banks service these communities, consumers often choose relationships with FSCs because of better hours, they are more comfortable with these centers and the available products and services are more important for their financial transactions. Through this existing relationship, FSCs provide a direct conduit to this consumer base and could serve as a bridge to bank services when it is appropriate to the consumers' financial needs.
- ✓ ***Present Opportunities for the Committee to More Effectively Achieve its Objectives:*** Our knowledge of the market and ability to provide services, our resources, our technological expertise, and our direct access to this market not only provide immediate opportunities to serve this consumer base, it allows the Committee to be visionary and innovative in its solutions – allowing the Committee to expand its achievements well beyond any opportunity through banks.
- ✓ ***Propose Innovative Solutions that will Assist this Committee in its Objectives:*** FiSCA intends to present several ideas in the following areas – where we are uniquely positioned to assist the Committee and the FDIC
 - Access to Credit
 - Financial Education
 - Creating a Financial Base Through Savings
 - Short Term Credit and Access To Small Cash Advances
 - Bank Discontinuance*

* It should be noted that although bank discontinuance is of primary concern to the MSB industry, it is by no means the only issue which requires attention of those influencing public policy.

During our presentation on Wednesday, October 24, we intend to provide detailed information and data about this consumer market, related demographics, survey information about the products and services on which the consumer currently depends, customer satisfaction research and analysis, comparative pricing, and industry statistics that outline the size and scope of financial service centers in this nation. Although the information to be presented on that date will be within the format required, we also will provide written materials supporting our discussion in more detail.

For preliminary reading prior to our presentation before the Advisory Committee, we have included several documents in the following categories:

- ✓ ***Financial Service Centers***
 - Biographies of planned presenters
 - Survey of Customers of FiSCA Member Organizations, September 2006, Cypress Research Group
 - 2002 Document: *Check Cashers Make Good Bank Customers*
 - *Currents* – August, 2007 Issue of the Magazine Publication of FiSCA
- ✓ ***Bank Discontinuance***
 - Testimony by Mr. Gerald Goldman, General Counsel, FiSCA, to the U.S. House Financial Institutions Subcommittee, June 21, 2006.