
FDIC Advisory Committee on Economic Inclusion
Safe Accounts
How Key Is Delivering Today

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Consumer Client Segmentation Strategy and
Product Management

May 2013



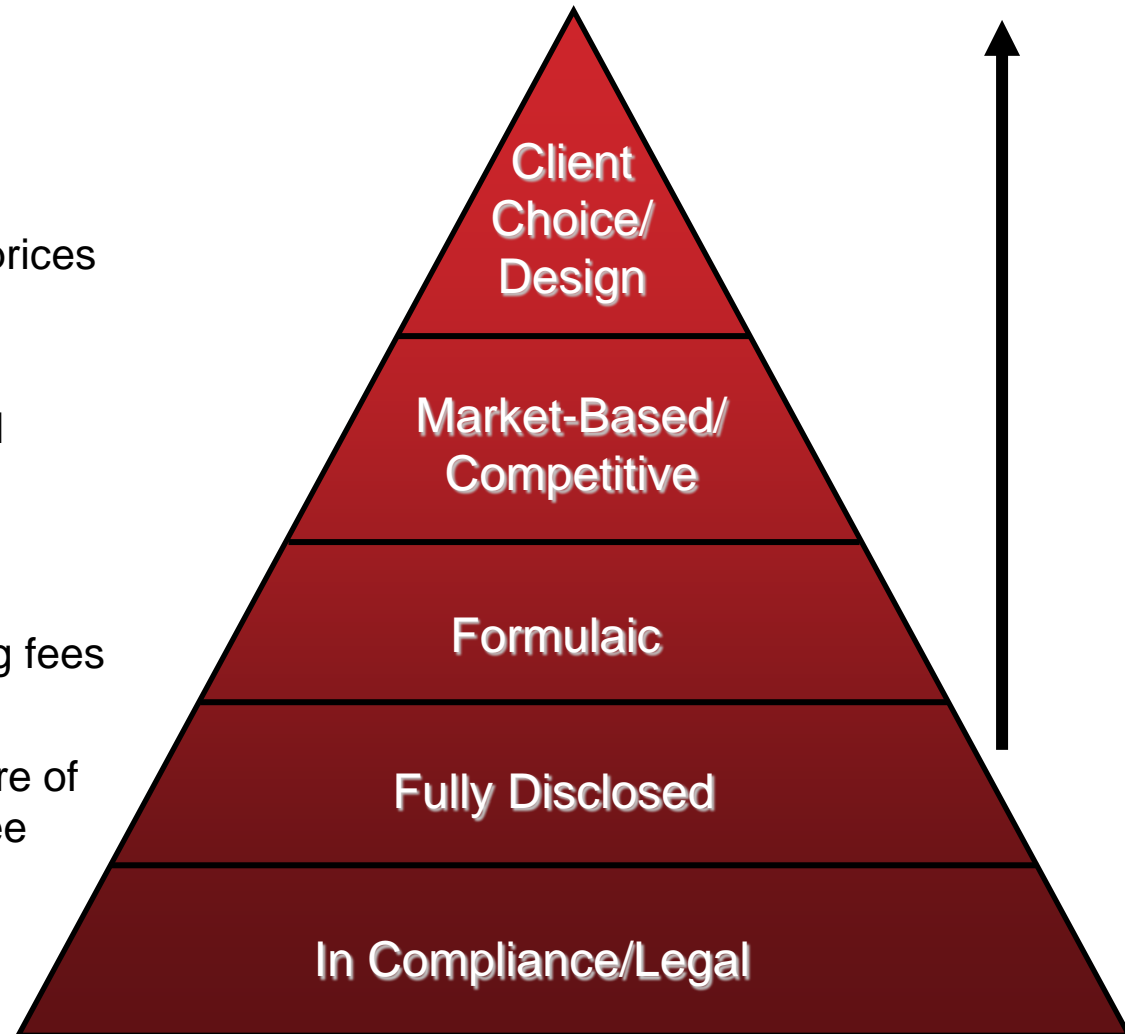
Agenda

- Key's Approach to Product Development and Management
- Meeting the Needs of the Underbanked/Underserved
- Recent Product Developments
 - KeyBank Access Account
 - Key Basic Line of Credit
 - Posting Order
 - Disclosure
 - Good Funds
- Client Choice, Client Control



Product Development – Guided By the ‘Fairness Pyramid’

Fairness



- **Client Choice**

- Ability to opt-in or opt-out of products/services to avoid fees

- **Market-Based/ Competitive**

- Fees within a range of market prices by category
- No high side outliers
- Industry standard practices and treatments

- **Formulaic**

- Applies a “blind” standard for assessing fees and/or refunding fees

- **Disclosure**

- Clear, understandable disclosure of processes, policies, fees and fee avoidance

- **Compliance**

- Compliance is mandatory




Think Differently

- Safety – Do No Harm
 - The Financial Hippocratic Oath
 - Features fee structures and underwriting practices should not reduce a consumer's financial well-being. Communications about fees, terms and conditions should be presented clearly and intelligibly.
- Inclusion - Accessibility and Convenience
 - Promote genuine accessibility and convenience for consumers in every possible dimension – geographically, temporally, linguistically, and culturally
- Financial Capability – Design for Consumer Success
 - Empower customers to make wise money choices.
 - Communication should be relevant to specific concerns and financial situations, coincide in a timely fashion with key life events/ decision and be immediately actionable
- Pathways – Create Upward Mobility
 - Help consumers grow and evolve in their financial lives by expanding their choices and offering products that meet needs at multiple phases of the consumer lifecycle.
 - Design a pathway from the financial present to a prosperous future, helping consumers move from the product that is right today to the product that will be right tomorrow.



Think Differently

- The Underserved Lens
 - Underserved along a client continuum
 - View all segment strategies, tactics and initiatives through an underserved “lens”
 - Diminish the prominence to increase leverage
 - Don’t just “check the box”
- Client Experience
 - Ensure that the client experience is what we want it to be
 - Standard Operating Procedure  Unique to Underserved
- How We Do Business
 - Policies, procedures, systems and business rules that make serving the underserved difficult
 - Details matter



KeyBank Access Account

- Introduced in 2011
- “Checkless” checking account
 - Debit Card access
 - Online banking and bill pay
 - Text and email alerts
 - No fee Direct Deposit or ATM Deposit
- No overdraft or NSF fees
 - Account does not permit overdrafts
 - No checks so no NSF fees
- \$5.00 per month waived if 2 or more transactions or \$200 or more in deposits
- Sold through branch and Key@Work bank-at-work channels
 - 7-8% of total consumer checking sales ~11,000 per year
 - Year over year sales increase of 9%



Other Client-Centric Changes

- Key Basic Line of Credit
 - Small line amounts \$250 to \$1,500
 - Sub-Prime product
 - \$25.00 annual fee
 - Prime + 15.99%
 - Clients are underwritten for the “best” line of credit for which they qualify
 - Product characteristics:
 - Units: 3,235
 - Commitment: \$3,540,050
 - Average Commitment: \$1,094
 - Balance: \$1,899,907
 - Average Balance: \$587
 - 1.5X active, 2X utilization, 3X delinquency, chargeoff 3.5X
- Posting Order Changes
 - Chronological - reflect order in which client initiated transactions
- PEW Disclosure
- Engineering float out of the system; increase good funds



Pew Disclosures

Personal Checking Account Fees and Disclosures

Greater Cleveland
Effective October 15, 2012
KeyBank National Association



Member FDIC

Today's Date Is March 4, 2013

Key Express Checking Account

This *Personal Checking Account Fees and Disclosures* ("Disclosure") provides information about deposit accounts we offer. While this *Disclosure* is accurate as of the effective date noted above, specific product features may be changed from time to time. A copy of the current *Disclosure* may be obtained upon request by contacting us. Current Interest Rate information may be obtained by contacting your KeyCenter or by calling 1-800-KEY2YOU® (1-800-539-2968) TDD 1-800-KEYTDD1(1-800-539-6331).

Key Express Checking Account

The minimum deposit required to open a Key Express Checking Account is \$50.00. This Account pays no interest. If you receive an image statement (a monthly statement that contains images of the front of your canceled checks), your Account will be charged a \$3.00 (Imaged Items) with Statement Charge per monthly statement cycle. If you opt to receive your Account statement on paper instead of electronically, your Account will be charged a \$3.00 Paper Statement Charge per monthly statement cycle. There is no Paper Statement Charge if you receive your Account statement electronically through Key's Online Banking service. If you receive a combined Account paper statement and your combined statements includes statements for other types of checking and savings Accounts (excluding Key Advantage Money Market Checking Account, Key Privilege Checking Account, Key Privilege Select Checking Account, Key Private Bank Personal Checking Account, Key Private Bank Money Market Checking Account, Sweep Checking Accounts, Nursing Home Direct Deposit or Key Pre-Need Funeral Trust) your checking account may be assessed the \$3.00 Paper Statement Charge. There is no monthly Maintenance Service Charge if one of the following requirements is met:

- You have deposits (including transfers into this Account) totaling \$500.00 or more credited to your Key Express Checking Account during a statement cycle.
- You have at least 7 customer initiated transactions (ANY deposits, withdrawals, which includes transfers) on your Key Express Checking Account during a statement cycle.

If neither of these requirements is met, the Key Express Checking Account monthly Maintenance Service Charge will be \$5.00.

Additional Account Information

In addition to your specific Account service charges described above, your Account may also incur service charges as described in the OTHER CHARGES section listed at the end of this document. Your Account is also subject to our *Deposit Account Agreement and Funds Availability Policy*.

The term *Withdrawal* means any check, any preauthorized transfer or withdrawal (including any electronic debit or automatic payment), and any telephone transfer or wire transfer of funds from your Account. The term *checks/withdrawals paid* as referenced in this *Disclosure* means a check, or each withdrawal made in any channel. *Deposit* means a deposit of funds into your Account, including any electronic direct deposit, automatic deposit or telephone transfer.

The *Daily Balance* is the balance in your Account each day. The *Average Daily Balance* is calculated by adding the *Daily Balance* in your Account for each day of the statement period and dividing that amount by the number of days in the statement period.

We provide detailed statements for all Accounts. Your canceled checks and digital images of your canceled checks will be held by KeyBank in our secure system. Imaged items statements (digital images of the front of your canceled checks included with your Account statement) are available upon request. If you request a copy of a canceled check, a digital image of a canceled check or an item, we will send you the copy (refer to the OTHER CHARGES section for applicable service charges), provided that the check or item was presented for payment within the time period during which we maintain copies of checks (normally seven years).

OTHER CHARGES

Inactive Account Fee and Interest Reduction

Unless prohibited by applicable law, Checking and Savings (excluding Key4Kids Savings Accounts) Accounts with balances of less than \$5000.00 will be charged a \$5.00 monthly Inactive Account Fee ("Fee") after 3 months of inactivity on a Checking Account and after 12 months of inactivity on a Savings Account. This Fee will be assessed in addition to normal Account service charges. An Account is classified as inactive if there have been no customer initiated transactions (ANY deposits, withdrawals, which includes transfers) during the past 3 months for Checking Accounts and 12 months for Savings Accounts. The Inactive Account Fee and interest reduction are governed by Federal law. If you have an inactive interest bearing Account, the interest rate will be changed to .01 %.

An Inactive Account notice will be sent to you prior to your Account being classified as inactive. In order to avoid the Fee and the interest reduction, you must either make a deposit to or a withdrawal from this Account or have a transfer to or from this Account. You may also avoid the Fee and interest reduction if you sign and return the notice you will receive prior to your Account being presumed abandoned.

Excess Telephone Inquiry Service Charge (This charge applies to all types of Checking Accounts.)

If the number of automated (a call during which you do not speak to an employee) telephone calls for general account information exceeds 8 per statement period, your Checking Account will be charged \$0.75 per call. If the number of employee assisted (a call made directly to an employee or transferred from an automated telephone inquiry) telephone calls for general account information exceeds 3 per statement period, your Checking Account will be charged \$1.50 per call. If you request general account information on more than one account during the same telephone call each account is treated as a separate telephone call and may be assessed a charge as described above. General account information includes account balance, checks that have been paid, electronic transactions that have been paid, deposits that have been made and interest information. If your request for general account information results in a request for service, such as a copy of an item or a stop payment, no charge for the employee assisted request for general account information will apply and the call will not be counted towards the limits described above. However, any applicable charges for the services requested will apply.

Service Charges in Connection with an Account:

- **Statement Information Safekeeping Fee** of \$10.00 per month will be assessed, if a current address has not been provided.
- **Safe Deposit Box Rental Charge**. Varies based on size of box.
- **Statement Special Handling Charge**. Varies based on size of box.
- If you request special handling of your deposit account statement, your Account will be charged \$10.00 per month for this service. If you have combined statements for your deposit Accounts only your primary Account will be assessed the monthly charge.

UNCLAIMED FUNDS

After a period of five (5) years of no account activity or contact with you, we are required to forward funds on deposit to the Ohio Department of Commerce, Unclaimed Funds Division. You may file a claim with the State of Ohio (Department of Commerce) for your unclaimed funds. We are not liable for any funds we transfer to the Unclaimed Funds Division.

KeyBank National Association



BASIC TERMS AND CONDITIONS
Key Express Checking Account
Greater Cleveland
Effective: October 15, 2012
Today's date: March 4, 2013

Minimum Deposit Needed to Open Account	\$ 50.00
Monthly Fee	\$ 5.00
Requirements to Waive Monthly Fee	\$ 500.00 or more credited to your account as deposits (including transfers into this Account) during a statement cycle.
Interest Rate	7.00% includes transfers on your account during a statement cycle
ATM Fees	- Interest not paid on this account for using your bank's ATM
ATM Fees	\$ 2.50 for using another bank's ATM
Non-Sufficient Funds (NSF) Fee	\$ 33.00 per item
Returned Check Fee	\$ 39.00 per item
Stop Payment Fee	\$ 15.00 per declined check written to your account
Account Closing Fee	\$ 34.00 per item to stop payment for up to 6 months or for a range of items
Other Service Fees	\$ 25.00 if account closed within 180 days of opening

Overdraft Penalty Fee	1-2 in a twelve month period: \$ 33.00 per overdraft covered by bank advance
	>2 in a twelve month period: \$ 39.00 per overdraft covered by bank advance
Maximum Number of Overdraft Penalty Fees per Day	5.00
Extended Overdraft Penalty Fee	\$ 28.50 every 5th day the account is overdrawn, starting 5 days after the account is first overdrawn
Overdraft Transfer Fee	\$ 10.00 per overdraft covered by transfer from linked savings account
	\$ 5.00 per overdraft covered by transfer from linked Preferred Credit Line
	\$ 10.00 per overdraft covered by transfer from linked Cash Reserve Credit

Posting Order	Currently we process items from highest dollar amount to the lowest dollar amount within certain categories. Prior day transactions post before current day transactions in the following order: pending credits, pending debits, credits, ATM/everyday debit card, all other debits.
Deposit Hold Policy	Cash deposit with teller: next business day
When funds deposited to your account are available	Cash deposit at KeyBank ATM: next business day
	Check deposit with teller: next business day
	Check deposit at KeyBank ATM: 2nd business day
	Cash or check deposit at a non-KeyBank ATM: 5th business day
	Direct deposit: same business day
	Wire transfer: next business day
	If something causes a longer hold on a deposit, the first \$200 of that deposit will be made available the next business day.

Dispute Resolution	Dispute Resolution Agreement
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Helpful ways to avoid fees:



More Client Choice and Control

Key offers clients a variety of options to manage cash flow and choose the client experience they prefer to manage unexpected overdrafts

Key attempts to pre-approve and offer overdraft protection at account opening across the spectrum of creditworthiness:

**Preferred Credit Line
Cash Reserve Credit
Key Basic Line of Credit**

Choice to establish Savings Overdraft Protection service

Choice to opt-out of SmarterPay service – all overdrafts

Choice to opt-out of ATM/debit card overdrafts – Reg E

Key Coverage Checking with differentiated overdraft pricing

Key Access Account with No Overdraft Capability

New Reloadable Debit – no checks

Lower cost check cashing

No charge alerts to warn of balance issues

No charge mobile and online banking – permits balance transfer anytime, anywhere

