Minutes
of
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
December 13, 2012 - 1:58 P.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 Robert A. Annibale, Global Director, Citi Microfinance and Community Development; Michael Barr, Professor of Law, University of Michigan Law School; Ted Beck, President and Chief Executive Officer (CEO), National Endowment for Financial Education; Kelvin Boston, Executive Producer and Host of PBS' Moneywise with Kelvin Boston; José Cisneros, Treasurer, City and County of San Francisco, California; Martin Eakes, CEO, Self-Help/Center for Responsible Lending, Durham, North Carolina; Lawrence K. Fish, Former Chairman and CEO, Citizens Financial Group, Inc.; Rev. Dr. Floyd H. Flake, Senior Pastor, Greater Allen AME Cathedral of New York; Ester R. Fuchs, Professor, School of International and Public Affairs, Columbia University; Wade Henderson, President and CEO, Leadership Conference on Civil Rights, and Counselor to the Leadership Conference on Civil Rights Education Fund; Andrea Levere, President, Corporation for Enterprise Development, Washington, D.C.; Bruce D. Murphy, Executive Vice President and President, Community Development Banking, KeyBank National Association; Manuel Orozco, Senior Associate at the Inter-American Dialogue, and Senior Researcher, Institute for the Study of International Migration, Georgetown University; John W. Ryan, Executive Vice President, Conference of State Bank Supervisors; J. Michael Shepherd, President and CEO, Bank of the West and BancWest Corporation; and John C. Weicher, Director, Hudson
Institute's Center for Housing and Financial Markets. Deborah C. Wright, Chairman and CEO, Carver Bancorp Inc., New York, New York, participated via telephone.

Alden J. McDonald, Jr., President and CEO, Liberty Bank and Trust, New Orleans, Louisiana; Robert K. Steel, Deputy Mayor for Economic Development, The City of New York; and Peter Tufano, Peter Moores Dean and Professor of Finance, Said Business School, Oxford University and Founder and CEO of D2D Fund were absent from the meeting.


Chairman Gruenberg opened and presided at the meeting. He began by providing an overview of the meeting agenda, advising that the meeting would begin with a presentation of the results of the FDIC's 2011 Survey of Banks' Efforts to Serve the Unbanked and Underbanked ("Bank Survey"), followed by an update on mobile financial services and the potential to use mobile banking as a vehicle to expand access to financial services offered by insured financial institutions, and ending with a discussion of one of the key issues highlighted in the results of the FDIC's 2011 National Survey of Unbanked and Underbanked Households ("Household Survey"), specifically the issue of household savings trends. He then turned the discussion over to the moderator of the first panel, Keith Ernst, Associate Director, Consumer Research and Examination Analytics, Policy and Research Branch, FDIC Division of Depositor and Consumer Protection ("DCP").
Mr. Ernst, after expressing that it was his privilege to facilitate presentation of the Bank Survey results, introduced his fellow panelists, the co-authors of the Bank Survey report, Sherrie Rhine, Senior Economist, DCP, and Eric Robbins, Regional Manager, FDIC Division of Insurance and Research ("DIR"), Chicago Region. He noted that, in seeking to identify promising ways to expand economic inclusion, the Bank Survey and Household Survey should be taken together and that, as a consequence, the authors of the Household Survey, Yazmin Osaki, Financial Analyst, DCP, and Susan Burhouse, Senior Financial Economist, DCP, would join Ms. Rhine and Mr. Robbins to participate in the discussion with Committee members after presentation of the Bank Survey findings. He then advised the Committee that, unlike staff's presentation of the 2011 Household Survey results, the presentation of the 2011 Bank Survey results would not offer much in the way of direct comparisons to the 2009 Bank Survey because the survey had changed significantly, going from a multi-hour survey to a 30-minute survey. He observed that, although reducing the response time had boosted response rates, it frustrated efforts to make direct comparisons. However, he expressed confidence that, going forward, the FDIC would build on the 2011 data. He further expressed his belief that, because of its strong methodology, the results of the 2011 Bank Survey would provide a factual underpinning for some of the survey topics that are frequently the subject of news reports and other studies based on less formal methods.

Ms. Rhine then provided an overview of the Bank Survey, noting that its objectives were to identify and quantify the extent to which insured depositories reach out to serve and seek to meet the banking needs of the underserved; identify the challenges affecting the ability of insured depositories to serve unbanked and underbanked individuals and households; and identify strategies that insured depositories use to offer financial products and services to unbanked and underbanked individuals and households. She also noted that the survey was voluntary; that it consisted of an internet-based questionnaire administered to a nationally representative, random, stratified sample of 707 retail bank headquarters, with 587 banks, or 80 percent, responding; that, through the survey design, banks were grouped into one of three asset categories—those with assets greater than $38 billion, those with assets greater than $1 billion but less than $38 billion, and those with assets of less than $1 billion; and that the survey was administered between November 2011 and February 2012.

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Next, Ms. Rhine presented key findings in the areas of product development, marketing and advertising, and retail strategies. With respect to product development, she advised that 4 in 10 institutions developed products and services for underserved consumers. With respect to marketing and advertising, she advised that banks see community partnerships as important strategies to reach underserved consumers, with 39 percent of banks identifying community outreach collaborations; and that the second and third most often cited marketing channels were print advertising and direct mail, with 29 percent and 8 percent of banks, respectively, reporting use of those channels. With respect to retail strategies used by banks to make their branches more welcoming and convenient for all consumers, she advised that the most frequently cited strategies were automated telephone banking, reported by 62 percent of banks, and multilingual staff, reported by 43 percent of banks, with the third most frequently cited strategy being off-premise ATMs, which was reported by 40 percent of banks.

Mr. Robbins then presented key findings on deposit and auxiliary products offered by banks. He began by pointing out that access to a basic bank account and financial services are fundamental building blocks for families seeking to establish a solid financial foundation and pursue opportunities for asset building and wealth accumulation. He noted that, as a means of understanding factors that may affect the ability of banks to serve unbanked and underbanked consumers, banks were asked to describe the characteristics of their most basic or entry-level checking and savings accounts, regardless of whether they specifically targeted such consumers, and that the characteristics included the minimum opening balance requirement, the monthly maintenance fee, the minimum account balance required to avoid a fee, and whether fees differed depending on the accountholder’s use of direct deposit. Regarding minimum opening balance for their most basic checking account, he reported that 48 percent of banks required $50 or less to open such an account without direct deposit, 42 percent of banks required precisely $100 to open the account, six percent required more than $100 to open the account, and that the median minimum deposit to open a basic checking account was $100, with or without direct deposit. With respect to a monthly maintenance fee on basic checking accounts without direct deposit, Mr. Robbins reported that 65 percent of banks charge no such fee, 22 percent of banks charge in excess of $3, and 10 percent of banks charge fees ranging from $1 to $3; whereas for basic checking accounts with direct deposit, 72 percent of banks charged no monthly maintenance fee, although 17 percent of banks still charged a fee of more than $3.
With respect to minimum account balance required to avoid a fee, availability of overdraft programs, and fees associated with overdraft payments and items rejected because of non-sufficient funds, he reported that for the roughly 30 percent of banks requiring a minimum balance to avoid a fee, the median minimum balance to avoid a fee was $300 with direct deposit and $350 without direct deposit; that approximately 90 percent of banks offered automated or non-automated overdraft programs and 85 percent offered an alternative to an overdraft program; and that the median charge for both overdrafts and items rejected for non-sufficient funds was $28.

Next focusing on transaction and savings account offerings for applicants who do not qualify for a conventional account, specialty savings product offerings, and types of identification ("ID") accepted from prospective customers wishing to open such accounts, Mr. Robbins began by advising that 21 percent of banks offered "second chance" transaction accounts to those not qualifying for a conventional account; that 21 percent of banks offered electronic accounts as their most basic transaction account, with less than one percent of banks offering a strictly card-based electronic account; and that the average minimum amount to open, and the average monthly maintenance fees for, such accounts are lower than for traditional checking accounts with a check-writing feature. With respect to basic savings accounts, he advised that the median minimum opening balance for such accounts was $100; that the median minimum average balance requirement was also $100; that many banks did not charge a monthly maintenance fee if the minimum average balance requirement was met, with a median fee of $2.50 for accounts not meeting the minimum average balance requirement; and that three out of four banks offered an automatic savings option without a fee. Moving on to specialty savings products, he indicated that 82 percent of banks offered youth savings accounts, 41 percent offered specialized savings clubs, nine percent offered workplace-based savings, and nearly 4 percent offered individual development accounts. Regarding ID needed to open a consumer deposit account, he stated that 83 percent of banks accepted non-traditional forms of ID, with 58 percent accepting a non-U.S. passport, 40 percent accepting foreign ID from a foreign consulate, and 73 percent accepting an individual taxpayer number as alternatives to a social security number at account opening.

Mr. Robbins then addressed auxiliary products offered by banks to their entry-level accountholders and noncustomers in their market area, noting that more than 75 percent of banks offered check-cashing to accountholders, whereas less than half
of banks offered the same service to noncustomers, with a median fee for both accountholders and noncustomers of $5; that 68 percent of banks offered money orders to accountholders, whereas only 33 percent of banks offered money orders to noncustomers, with a median fee of $3 for both accountholders and noncustomers; that 86 percent of banks offered bank checks to accountholders, whereas only 35 percent of banks offered them to noncustomers, with a median fee for both accountholders and noncustomers of $5; and that 68 percent and 57 percent of banks, respectively, offered domestic or international remittances to accountholders, as compared to only 11 percent and nine percent of banks, respectively, offering domestic or international remittances to noncustomers. He further noted that 88 percent of banks offered small-dollar, unsecured personal loans, with 43 percent of banks offering such loans with no minimum loan amount and 53 percent of banks offering such loans with a minimum amount of $2,500 or less; that 81 percent of banks offering small-dollar loans had a repayment period of at least 90 days; that nearly 89 percent of banks offering small-dollar loans reported an annual percentage rate on the loans of 36 percent or less; and that most banks could approve a small unsecured loan in less than 24 hours. He then turned the discussion over to Ms. Rhine to discuss the survey findings on financial education and outreach and the challenges identified by banks in serving the unbanked and underbanked.

On the issue of financial education and outreach, Ms. Rhine advised that 81 percent of banks reported offering free counseling to underserved consumers, with 58 percent rating the activity as very effective or effective; that approximately 50 percent of banks reported offering instruction on basic financial topics, funding to community partners, and technical expertise; that 30 percent of banks reported engaging in all four types of financial education and outreach; and that K-12 schools were the most frequently identified locations for providing financial education and outreach, with 74 percent of banks identifying such sites, followed by bank branches, identified by 53 percent of banks, and non-profit and community organizations, identified by 41 percent of banks. Turning to challenges identified by banks in serving the unbanked and underbanked, Ms. Rhine advised that the survey inquired about three types of challenges: business challenges, product-related challenges, and regulatory requirement challenges. With respect to business challenges, she stated that 32 percent of banks indicated that fraud was a major obstacle in serving the unbanked and underbanked; 24 percent of banks indicated that profitability was a major obstacle; 28 percent of banks indicated that underwriting was a major

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obstacle; and 16 percent of banks indicated that nonbank competition was a major obstacle, with large banks citing nonbank competition as a major or minor obstacle and identifying retail businesses offering general purpose reloadable cards as the primary source of competition, mid-size banks citing nonbank competition as a major or minor obstacle and identifying check cashers as the primary source of competition, and small banks citing nonbank competition as a major or minor obstacle and identifying payday lenders as the primary source of competition.

With respect to product-related challenges, Ms. Rhine advised that 31 percent of banks indicated that consumers’ lack of understanding of financial products and services was a major obstacle in serving the unbanked and underbanked as compared to 6 percent of banks indicating that lack of familiarity with the financial or banking needs of underserved consumers was a major obstacle. She further advised, with respect to regulatory requirement challenges, that 35 percent of banks cited the regulatory environment as a major obstacle in offering financial products and services to underserved consumers; that 65 percent of banks cited the regulatory environment as a major or minor obstacle; and that, of those banks citing the regulatory environment as a major or minor obstacle, 40 percent indicated that customer ID was a major obstacle, 35 percent indicated that fair lending and compliance risks were major obstacles, 34 percent indicated that the Bank Secrecy Act and anti-money laundering regulations were major obstacles, and 20 percent indicated that third-party relationship risk was a major obstacle.

Addressing survey findings by asset size, Ms. Rhine pointed out that the largest banks tended to have lower initial deposit requirements on basic accounts and accepted a broader range of foreign ID for account opening purposes; that small and midsize banks were more likely not to charge maintenance fees on basic accounts, had lower required balances to avoid fees, and charged lower fees when they applied; that the largest banks were more likely to engage in a greater range of educational and outreach activities; that the largest banks were more likely to report actively marketing products or services customized to the needs of the underserved and to offer a wider array of auxiliary products and services; and that small and midsize banks were more likely to make unsecured, small-dollar personal loans, to charge less for auxiliary products and services, and to make funds available on the same day when cashing checks. In conclusion, she identified several opportunities for financial institutions to expand access to underserved consumers, including expanding

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offerings of basic, low-cost checking and savings deposit accounts; offering additional transaction services to underserved households, including noncustomers; enhancing small-dollar loan product marketing; utilizing partnerships with community organizations to promote checking and savings account ownership; and considering expansion of retail strategies to build relationships with unbanked and underbanked consumers.

Mr. Ernst then asked Ms. Burhouse and Ms. Osaki to join him, Ms. Rhine, and Mr. Robbins at the presenters’ table; announced that at the end of the session, he would take a few minutes to report back to the Committee on staff’s progress on the feedback received on the Household Survey; and opened the floor for Committee member observations, comments, and questions. In the discussion that followed, Committee members and staff addressed a number of issues raised by the survey findings related to financial education; regulatory challenges, particularly the perception of fraud associated with financial services programs for underserved consumers; and the implications of prepaid cards to the availability of checkless checking accounts. In addition, Committee members made recommendations for further analysis of survey data, possible additional areas of inquiry in the future, and potential regulatory action.

Regarding the survey findings on financial education, Mr. Beck advised that he was impressed with the number of banks reporting financial education activities, emphasized the importance of assessing the costs and evaluating the effectiveness of such programs, and suggested that one way to get consistent program delivery and reliable metrics on program effectiveness would be for institutions to use existing resources, such as the FDIC’s Money Smart programs. Ms. Levers, pointing to the survey finding that many banks identified lack of understanding of financial products as a major obstacle to serving the unbanked and underbanked, suggested that financial education activities should be geared toward addressing that lack of understanding. Mr. Murphy, also commenting on the disconnect between financial education offerings and the lack of understanding of financial products, suggested that, in his own experience, consumers are more confused about the product options and financial tools available to them than by the complexity of products, and that he found the Money Smart program to be effective in helping clients to understand the product base. Mr. Annibale, noting the effectiveness of partnerships with community organizations in targeting underserved communities, suggested that financial education provided through such partnerships was
more relevant because it was specific to particular products and their usage.

Regarding the survey findings on fraud as the largest perceived major business-related challenge in serving the underserved, Professor Fuchs asked whether there exists evidence that the unbanked and underbanked are more likely than other consumers to commit fraud and, if not, what could be done to alleviate the misperception, in response to which Mr. Ernst recalled that institutions that had participated in the Model Safe Accounts pilot had reported that potential fraud-related concerns had not been demonstrated and agreed that, perhaps, additional emphasis on disseminating those findings might be helpful. Mr. Murphy, noting that KeyBank uses biometrics and state-issued ID in its check cashing program for underserved consumers, advised that the losses in the bank’s underserved program were much better than losses in its mass market effort, in response to which Mr. Fish suggested that perhaps that information could be used to educate larger banks about how they can reduce charge-offs and extend penetration into underserved communities.

Regarding the implications of prepaid cards for checkless checking accounts, Mr. Eakes, noting that it appeared that checkless checking accounts, particularly those that feature direct deposit, have the greatest potential to be the platform product for reaching the unbanked, expressed surprise that only three percent of midsize banks offer such accounts and pondered whether checkless checking accounts were perhaps being supplanted by prepaid cards. Chairman Gruenberg observed that prepaid cards do raise an important set of issues, giving rise to a need to consider whether such cards are a potential alternative to the account-based debit card, and asked whether banks view holders of prepaid cards as, in effect, accountholders for purposes of the services they provide. Mr. Eakes suggested that there is an emerging view that prepaid cards could be used as the fundamental account upon which banks can pursue the same kind of relationship building activities that spring from other products and services. However, Mr. Annibale advised that, in most banks, prepaid card holders who do not have any other relationship with the bank do not get much in the way of service, having to address card issues online or by phone, because prepaid cards are in many ways a separate operating business.

With respect to recommendations for further analysis of survey data and possible future areas of inquiry, Mr. Orozco, noting that staff had expressed confidence in the
representativeness of the data, recommended that some sort of evaluative index be developed to provide a clearer picture of whether the level of activity targeting underserved consumers is positive or unacceptable; Professor Fuchs, underscoring the goal of economic inclusion, recommended gathering information on the underlying motives, whether altruism or profits, for banks already offering products targeted to unbanked and underbanked consumers in order to better identify appropriate incentives and disincentives to encourage more banks to offer the services; and Mr. Shepherd, looking at the challenges identified by banks in their efforts to serve the unbanked and underbanked, recommended that some attempt be made to aggregate the major and minor obstacles to determine whether a series of minor impediments was sufficient to cause a business decision not to pursue a particular product. In addition, Mr. Fish, pointing to the potential bias of over-reporting and under-delivering, recommended that future survey efforts include questions on the scale of activity, such as the number of loans funded; and Mr. Cisneros, agreeing that information on scale is important, recommended asking questions to determine what percentage of all accounts is represented by basic accounts and how that percentage differs from the prior year, cross-tabulated with information on what percentage of a bank’s branches are located in low-income communities, and further recommended that additional information be gathered on the specific characteristics of what banks offer as a “second chance account” as well as the extent to which such accounts are utilized, cross-analyzed with data from the Household Survey.

Finally, with respect to suggestions for possible regulatory action, Professor Barr suggested that perhaps the FDIC and other regulators could explore smarter approaches to Bank Secrecy Act compliance that would lighten the paperwork burden, particularly for community banks; and on the issue of funds availability, noting that despite some progress, there was less progress than he would have expected, further suggested that perhaps there were regulatory incentives that could be used to foster additional progress. In response to the latter suggestion, Ms. Rhine advised that the majority of banks did indicate that funds were made available the same day as deposited or the next day and Mr. Ernst observed that the amounts covered by regulations governing funds availability have changed in recent years; that, therefore, the survey had asked primarily about the timing of funds availability; but that staff could do some field work to determine the extent to which funds availability continues to be problematic. Mr. Annibale, expressing surprise that so few small and midsize banks were accepting foreign passports and other

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foreign ID for account opening purposes, suggested that it might be helpful for regulators to provide greater clarity to the banking system regarding the acceptability of such ID.

After thanking Committee members for their comments and suggestions, Mr. Ernst briefly reported on the progress since the presentation of the Household Survey results to the Committee at its meeting on September 12, 2012, noting that staff had summarized the feedback received from Committee members and, in some instances, was undertaking additional research with the data in hand and, in other instances, was evaluating potential changes to the survey instrument; that, since the survey was scheduled to be next administered in June 2013, with little time to work in all of the suggestions, revisions to the survey might well be an ongoing process; that staff had made a number of presentations on the survey findings since the report’s release in September, with phenomenal engagement from all quarters; and that a written update was included in the meeting materials.

Chairman Gruenberg then advised that staff would prepare a similar update on the Bank Survey for presentation at the Committee’s next meeting, at which point feedback on the two surveys could be viewed jointly to see where they might overlap. After praising staff’s excellent presentation and the feedback and insights offered by Committee members, he announced that the meeting would briefly recess. Accordingly, at 3:18 p.m., the meeting stood in recess.

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The meeting reconvened at 3:40 p.m. that same day, at which time Chairman Gruenberg introduced Jonathan N. Miller, Deputy Director for Policy and Research, DCP, panel moderator for the "Mobile Financial Services Update."

Mr. Miller began by providing an overview of the work of the Mobile Financial Services Subcommittee since its official creation at the Committee’s September 12, 2012, meeting, first reminding Committee members that the subcommittee’s charge was to look at new mobile technologies to determine they can be used to help unbanked and underbanked consumers promote deeper and longer lasting relationships with insured depository institutions, then reporting that the subcommittee’s work to date had involved gathering information from a number of external sources to understand how mobile is or is not being utilized by the unbanked and underbanked and, conversely, by banks and other companies offering mobile financial services. By way of background for the

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discussion, he offered highlights from three recent reports, one issued by the Board of Governors of the Federal Reserve System ("FRB"), entitled "Consumers and Mobile Financial Services"; one issued by the PEW Research Center ("PEW"), entitled "Cell Phone Activities 2012"; and one issued by Javelin Strategy & Research ("Javelin"), entitled "2012 Mobile Banking Financial Institutions Scorecard: Three Keys to Mobile Money Movement Success."

Regarding the FRB report, Mr. Miller reminded Committee members that Jeanne M. Hogarth, one of the authors of the report, had presented the findings to the Committee at its April 26, 2012, meeting, and advised that the FRB had issued an update to the report in September 2012. Elaborating on some of the highlights, he advised that 87 percent of all American adults own a mobile phone, with 91 percent of underbanked consumers having a mobile phone versus 90 percent of the fully banked and 63 percent of the unbanked; that underbanked consumers make comparatively heavy use of both mobile banking and mobile payments in comparison to the fully banked, with 28 percent and 17 percent of the underbanked, respectively, having used mobile banking and mobile payments within the last 12 months as compared to 21 percent and 12 percent, respectively, of the fully banked; and that even 12.2 percent of the unbanked had used mobile payments within the last 12 months. He further advised that, in the mobile banking arena, most activity remained fairly simple, citing as examples checking an account balance or a recent transaction, and that in the mobile payments arena, activity was increasing, with 47 percent of study respondents indicating they had used mobile payments technology to pay a bill.

Moving to the PEW study, which he indicated was released on November 25, 2012, Mr. Miller advised that the focus of the study was not so much on mobile banking or payments, but on the use of mobile technology. He reported that 80 percent of cell phone users send or receive text messages, that 56 percent use their cell phones to access the internet, that 43 percent use their cell phones to download applications ("apps"), and that 30 percent use their cell phones to engage in mobile banking. With respect to cell phone use by demographics, he also reported that men and women were equally likely, about 30 percent in each instance, to check balances or conduct other banking using their cell phones; that younger consumers and more highly educated consumers were more common users of mobile banking; and that black and Hispanic consumers, between 34 and 35 percent, were significantly more likely to engage in mobile banking than non-Hispanic whites, at 26 percent.

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Addressing the findings of the Javelin study, Mr. Miller noted that the study focused on the 25 largest financial institutions and reported that twice as many consumers use text messaging than mobile web or mobile apps, with 72 percent using text messaging versus approximately 34 percent using mobile web or apps; but that, despite more common use of text messaging among cell phone users, relatively few of the top 25 institutions allow access to accounts via text, with 76 percent allowing text access as compared to 92 percent for mobile apps and 85 percent for mobile web. He advised that the Javelin report also noted a trend towards banks building more movement capabilities, such as mobile bill pay, person-to-person ("P2P") transfers, and remote deposit capture, into their mobile offerings; and suggested that, to the extent that funds are made quickly available, remote deposit capture is likely to be particularly beneficial for lower income consumers because of the convenience feature.

Concluding his overview, Mr. Miller indicated that, in addition to reviewing external research reports, staff had begun looking at some of the commercial mobile apps currently available; had divided them into four large, sometimes overlapping categories - mobile banking, mobile payments, personal financial management, and financial education; and had engaged in a number of conversations with developers of the apps. Noting that many of the apps identified are associated with prepaid cards, he stressed that, although many of the apps were developed to provide financial services outside of the banking system, staff's focus was the opposite, to determine how the apps could be used to bring consumers into the banking system. He then introduced Matt Homer, Policy Analyst, DCP, and Ms. Osaki, who he indicated would provide additional information about staff's efforts to understand app-based offerings and insight into staff's conversations with some of the experts in the field.

Mr. Homer, noting that mobile apps are dynamic and constantly evolving and that the work plan of the Mobile Financial Services Subcommittee included keeping the Committee informed about developments in the marketplace and establishing the groundwork for future work plan actions, advised that, with those thoughts in mind, staff was exploring how mobile technologies are being leveraged by financial service providers and used by consumers, and how those technologies may be used to bring unbanked and underbanked consumers into the financial mainstream; reviewing mobile apps currently used in the marketplace and the features of those apps that may have value to the unbanked and underbanked; and engaging in a dialogue on these issues with stakeholders, including mobile app developers and

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technology vendors. He explained that, as an initial step to understanding the mobile apps landscape, staff was reviewing the most popular mobile financial apps currently available through Apple iTunes, and Google Play, having selected the iPhone and Android platforms because together they represent the lion’s share of the smartphone market; reviewing the app descriptions and categorizing them as previously mentioned by Mr. Miller; and noting key features for each app, including remote deposit capture, account transfers, P2P transfers, alerts and notifications, balance inquiry, bill pay, location finder, deals and rewards, prepaid card loading, budgeting, and point-of-sale payments. He then advised that, to date, staff had reviewed approximately 150 apps; that, although none of the apps were downloaded or tested, the review was helpful in enhancing staff’s understanding of report findings and what they learn at conferences; and that the effort was helpful in identifying mobile apps features that may benefit the unbanked and underbanked.

Next turning to a discussion of each of the categories of mobile financial apps and their common features, Mr. Homer indicated that the most common category of app was personal financial management, followed by mobile banking, financial education, and mobile payments. He stated that the most common feature of financial management apps was budgeting, but that they frequently also offered alert and notification and balance inquiry features, with examples of such apps including finance calculators, account aggregators, budget and bill pay tools, and financial education components; that the most common features of mobile banking apps were balance inquiry, account transfer, bill pay, location finder, and alerts and notifications, but that they sometimes also include remote deposit capture, P2P transfers, and deals and rewards, with examples of such apps including those developed by the spectrum of financial institutions; that the most common features of financial education apps, which have considerable overlap with financial education apps, were budgeting and alerts and notifications, with the difference between the two types of apps being that financial management apps may provide a snapshot of an individual’s current financial condition, financial education apps provide additional features to help consumers understand their financial condition and develop a plan for improving it; and that the most common features of mobile payment apps, which are still emerging and represent only a small sliver of the apps marketplace, are P2P payments, followed by account transfers, balance inquiry, and bill pay, with some of the mobile payment apps comprising a
mobile payment component of a mobile banking or financial management app. He then turned the discussion over to Ms. Osaki.

Ms. Osaki identified P2P transfers and bill pay, mobile imaging technology, and alerts and notifications as features of mobile banking apps that staff found particularly interesting and relevant to the unbanked and underbanked because of their potential to add value to the way consumers engage in banking and financial services. She cautioned that the FDIC was not endorsing any of the aforementioned features and that the review offered by staff was not a comprehensive assessment of the products, citing as examples omission of any discussion of cost or regulatory implications, but suggested that some of the features highlighted in the presentation and perhaps others staff had yet to discover might help make banking services more attractive and sustainable for underserved consumers. First addressing P2P transfers and bill pay, she noted that the Household Survey has shown that the leading reason unbanked households would want to open a bank account in the future would be to write checks and pay bills and that convenience is the primary reason households use transaction alternative financial services instead of banks and that, therefore, P2P and bill payment functionalities could perhaps contribute to making banking services more attractive to the unbanked and underbanked. She noted that one interesting application of P2P transfers that could be relevant to the underserved was in the area of remittances, with one company contacted by staff indicating that it provides international remittance services online or via mobile web browser and that one-quarter of its users sends remittances through their mobile phones.

Next explaining that the feature of mobile imaging technology requires users to have smartphones with a camera and access to apps, Ms. Osaki advised that the most common application of the technology was remote deposit capture, which offers the ability to make deposits by taking a photo of the check with a mobile phone. She observed that when remote deposit capture services include the option of immediate funds availability, the service would be even more appealing to unbanked and underbanked consumers, especially those who use check cashers; and indicated that staff had talked to representatives of several companies that provide or are interested in providing remote deposit capture with immediate funds availability, which would require one party to provide the remote deposit capture technology and another party to guarantee the funds made immediately available to consumers. She further indicated that mobile imaging technology can be used for other

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purposes such as signing up for direct deposit and bill pay services.

With regard to the feature of alerts and notifications, Ms. Osaki advised that the most well-known application allows users to sign up with their bank to receive low balance alerts or notification of whether a check has cleared; that timely text messaging provides consumers with awareness of their finances in real time, information that seems particularly beneficial for consumers that tend to keep low balances; and that text messaging is also being used in a proactive way to help users meet financial goals. Elaborating on the proactive use of text messaging, she reported that staff had talked to representatives of a company, currently seeking a bank or credit union partner, that provides an Hispanic-targeted savings coach, with a user designated savings date, that sends proactive Spanish language reminders about the savings date, questions the user about how much he or she wants to save, prompts the user to submit the total savings for the day, and encourages the user to continue saving.

Concluding her presentation, Ms. Osaki advised that staff was also learning how companies are adding other elements to leverage the convenience and real time features of mobile technology and making financial education and financial management tools more powerful and actionable, citing as an example of the former element a company that uses incentives such as positive peer pressure to help users set savings goals that are shared with friends and family, and as an example of the latter a company that, in partnership with a credit union, intends to link financial education and management tools to specific financial accounts, with automatic transfer to a savings account of funds not spent on, for example, a cup of coffee. She stated that the common elements of many of the examples cited throughout the presentation were convenience and real time financial awareness for all consumers, but especially the unbanked and underbanked; that staff would continue to explore the mobile banking landscape and talk to industry experts to learn more about technologies and models that could potentially contribute to improving the quality of banking engagement; and that the information gathered would be used to inform the FDIC’s research and its economic inclusion partnerships and pilots.

A brief discussion ensued, during which Committee members asked and staff answered several questions, Committee members offered several suggestions to staff to facilitate and guide their efforts in the mobile banking arena, and Committee members

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shared their observations about the information presented. Professor Barr, noting that staff's presentation had emphasized the potential positive aspects of mobile financial services, but that he personally is inundated with messages encouraging him to spend rather than to save, asked whether the mobile banking environment might be more complicated than alluded to in the presentations. In response, Mr. Miller agreed that while innovation can be helpful, it also can be harmful and that the environment in which mobile banking services are offered is complex and ambiguous, but that staff's goal was to try to identify ways in which the technology could be used in a positive manner to bring the underserved into the banking system. Professor Fuchs, noting that it did not seem as though it would be much more expensive for those banks currently offering mobile banking services to their high-income customers to extend the service to low-income clients, asked whether emphasizing the low cost factor might present an opportunity to incent banks to actually offer mobile banking services to the underserved. In response, Mr. Shepherd stated that, from his perspective, if banks, especially community banks, could extend mobile banking services to their unprofitable customers, it would likely decrease the cost by half, thereby allowing many banks to compete with larger institutions on the element of convenience and expanding mainstream banking to unbanked and underbanked consumers. Chairman Gruenberg asked what staff viewed as the next steps, in response to which Mr. Miller indicated that staff would continue to get the lay of the land and start thinking about how best to encourage banks to start using mobile technology to reach out to the unbanked.

In the way of suggestions, Mr. Beck recommended that staff include the financial blogger community in its research, noting that financial bloggers are a fast-growing group, each of which has their own followers that can run into the tens of thousands; that most of the information they post relates to how to use the financial system intelligently, with an emphasis on frugality; and that financial bloggers are an incredibly diverse group, capable of reaching various subsets of the community. Ms. Levere recommended that staff look at the "Weight Watchers" model of P2P connections and social networking as a means of facilitating better financial behavior; think about how to use behavioral messages and programs, particularly with children and youth, as a key methodology to move people from unbanked to banked status; and explore what policy incentives can be used to significantly advance mobile banking and facilitate the building of assets in underserved communities. Mr. Orozco recommended that consideration be given to several indicators introduced in
assessing mobile banking apps, including whether the app is a convenient vehicle for payments and financial activities, whether if offers value added, and to what extent it provides the user with information. Mr. Ryan recommended that staff explore America Saves Week in February as an opportunity to highlight the sort of partnerships with third party providers referenced in the presentations that encourage savings. Mr. Henderson recommended that staff explore the capability of sending remittances from a bank account as an inducement to certain segments of the unbanked, especially the immigrant community, to establish a banking relationship. Mr. Miller thanked Committee members for their very helpful suggestions and, in response to Mr. Ryan noted that staff was already in contact with America Saves representatives.

In terms of Committee member observations, Mr. Orozco, addressing the fact that consumers are inundated with advertisements inducing them to spend money, stated that, in his opinion, consumers have become far more rational decision makers, thinking more seriously about how to better inform their behavior on personal finances, especially after the most recent financial crisis, and economic inclusion proponents need to give more thought to how mobile banking apps can tap into that. Chairman Gruenberg, noting that it appears that many of the mobile banking services are offered through vendors, observed that there is a need to get a handle on the structure of the mobile financial services industry and its relationship to the banking industry, and then identify ways to use the technology to provide access to insured financial institutions.

Next, Ellen Lazar, Senior Advisor to the Chairman, moderator of the panel on “Current Household Savings Trends and Initiatives,” laying the framework for the presentations, noted that approximately 30 percent of households concentrated among lower income households lack access to savings and that the FDIC has spearheaded a number of economic inclusion initiatives to remedy that lack of savings, including the safe accounts template, and the safe accounts pilot, work to develop the Alliances for Economic Inclusion, and work with Bank On programs. She also noted that the benefits of savings for households are clear and well-known, that both the non-profit and philanthropic sectors have demonstrated considerable interest in promoting household savings, and that the public sector, including the FDIC, has an appropriate role to play in promoting household savings going forward. She advised, however, that there exist a number of constraints, including the ability to raise awareness of the benefits of savings, validating the statistics and facts

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that might motivate families to save, and serving as a catalyst to bring together disparate initiatives to promote savings. She stated that the focus of the presentations would be to talk a bit about what can be done prospectively in the savings arena. She then introduced Reid Cramer, Director of the Asset Building Program, New America Foundation, to provide an update on trends in savings, debt, and net worth, and Nancy Register, Associate Director, Consumer Federation of America ("CFA"), to discuss the CFA’s America Saves campaign.

Mr. Cramer, after explaining that the New America Foundation is a nonpartisan public policy institute based in Washington, D.C., advised that the foundation’s asset building program is designed to incubate ideas around savings and helping families build up an asset base, consistent with a growing body of evidence that savings and assets promote economic security, mobility and long-term social development. He reiterated Ms. Lazar’s comments regarding the role of the public sector in elevating the public purpose of promoting savings and asset building, acknowledged the Committee’s work in that area, and applauded the FDIC’s leadership on economic inclusion.

Mr. Cramer then launched into his presentation on trends in savings, debt, and net worth, reporting that prior to the recession, since the 1970s, there had been a decades long decline in personal saving, with the rate of savings just before the recession hit having declined to historic levels; that the decline in savings bottomed out between 2005 and 2007; that in 2007, there was an immediate response to the crisis, with people responding to the economic uncertainty by increasing their savings; that the public sector responded with, among other things, the American Recovery and Reinvestment Act of 2009 and the Troubled Asset Relief Program, which stabilized the economy; and that the savings rate was once again waning even though the recovery has been quite modest, with savings rates currently at levels below historic norms. He next compared the ratio of private debt to gross domestic product ("GDP") from 1916 to 2011, noting that debt levels had been growing since the 1950s; and that there were spikes in the debt levels, one just prior to the Great Depression and one just prior to the Great Recession, the only two periods when the debt ratio grew by 40 percent in a decade or less and when the amount of private debt exceeded 100 percent of GDP.

Turning to trends regarding median value for unsecured debt by race, median household net worth, and median wealth by race, Mr. Cramer advised that for all families, there was a decline in

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unsecured debt from 2005 to 2009, although the challenges might be more severe for families of color who have lower incomes and significantly lower assets; that even as the level of unsecured debt was decreasing, net worth greatly diminished between 2007 and 2010, with median net worth, including primary residences and mortgage debt, falling by 39 percent and median net worth, excluding primary residences and mortgage debt, falling by 30 percent; and that the racial wealth gap widened dramatically between 2007 and 2010, with white families losing about 36 percent of their net worth as compared to a loss of 50 percent for black families, with eradication of the gains made by families of color over the past 20 years, and with the average black family now owning five cents for every one dollar the average white family owns. He next pointed to a study conducted by the PEW Charitable Trusts Economic Mobility Project as support for the hypothesis that savings is a foundation for economic mobility and other asset building activities that occur over a lifetime, explaining that the study lined up parents in order of their personal saving rate in the 1980s, divided them into high savers and low savers, and, a generation later, looked at the children’s mobility outcomes according to whether their parents were high savers or low savers; and that the study showed that 71 percent of children with high saving parents experienced upward mobility over the course of a generation, compared to only 50 percent of children of low saving parents. He further explained that over the years, that hypothesis has been tested in a series of pilots and demonstration projects that offered matches to savings, the individual development account experience, tax-time interventions, and automatic enrollments, all of which were designed to assess whether even people with low incomes could save and that, as a result of the projects, a lot more is known about the incentives, support, and protections that enhance the savings process for the target population. He then addressed what is currently known about whether and why people save, citing a 2010 FRB Survey of Consumer Finances that asked people whether they had saved during the past year, in response to which only 52 percent indicated that they had, the lowest level since the FRB began taking the survey in the early 1990s; and that asked why people save, in response to which the two most often cited reasons were for retirement and liquidity.

Next taking a broader look at the household balance sheet of a typical family with an annual income of approximately $50,000 in 2010, derived from the Survey of Consumer Finance, Mr. Cramer indicated that on the asset side of the balance sheet, the largest category of assets were physical assets, mostly housing, with liquid asset holdings of about $3,100, including funds in
both checking and savings accounts; and that, even when there are holdings on the debt side of the balance sheet, there is a great deal of value in liquid asset holdings for families since those are the funds that can be accessed quickly in the event of an emergency. He then briefly discussed liquid assets across income levels and by race, noting that people do save more as they move up the economic ladder, with those living at or below poverty having on average a modest $520 in liquid assets, those between poverty and median income having liquid assets on average of almost $2,000, and those with median income to the 80th percentile having liquid assets on average of more than $5,000; and that families of color have much lower levels of liquid assets than their white counterparts. With respect to household trends in liquid asset holdings and net worth from the 2007 to 2010, he reported that even as liquid asset holdings increased, net worth decreased for the typical household; but that for the average household with income in the poverty to median range, liquid assets and net worth decreased at roughly the same rate.

Addressing desired precautionary savings and desired account changes to induce the unbanked to open a bank account, Mr. Cramer advised that when people are asked, they affirm a desire to set aside more of their income as a precaution in a place where it is accessible in a flexible manner and that the desire cuts across income levels; that families in the lowest quintile desire to save $2,000 or 14 percent of their income and families in highest quintile desire to save $10,000 or about 8 percent of their income; and that the desired savings levels show that aspirations are above current holdings and reflective of an opportunity to change behavior under the right set of conditions. He stated that the challenge is to turn desires into behavior and actions; that the question for the banking industry is to determine what product features make savings accounts attractive; that a 2009 study by Professor Barr, supported by the results of the FDIC’s Model Safe Accounts Pilot, concluded that lower fees, convenience, and less confusing fees are the features that matter most to unbanked households; that although incentives are helpful, they are not foundational; and that the success of the FDIC Model Safe Accounts program presents an opportunity for the FDIC to elevate such accounts to the level of policy, with one option being to give Community Reinvestment Act credit for products and services that target underserved consumers and for innovative programs that focus on financial inclusion.

In conclusion, Mr. Cramer discussed barriers to and opportunities for saving, acknowledging that the recession had an impact on savings behavior and that the marketplace is changing

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with technological innovations and consumer preferences, but that families have a need and an interest in effectively managing their finances and participating in the savings process, with savings being a major determinant of economic security and mobility. He stated that, while access to the banking system remains an obstacle for certain segments of the population, it is imperative to overcome that obstacle by connecting families to high-quality and low-cost products, an imperative that should be elevated as a policy goal; and that, while there is a need to create public incentives focused on savings, perhaps the Committee's focus might best be geared to learning more about consumer preferences and how consumers can be provided with account features and structures that are attractive and meet their needs in the marketplace.

Ms. Register began her presentation by first providing background information on the CFA and America Saves, noting that the CFA is an association, founded in 1968, of about 267 pro-consumer organizations, including Consumers Union, AARP, credit unions, electric and housing co-ops, and grassroots organizations; that America Saves is a CFA initiative, featuring a national social marketing campaign that seeks to motivate and support low- to moderate-income ("LMI") households to save money, reduce debt, and build wealth; that individuals sign up for America Saves by identifying a goal, and amount and a timeframe for saving; and that, since its launch in 2001, 306,000 people have signed up, either taking a pledge or creating their own saving plan. Continuing, she advised that America Saves works with the American Savings Education Council to help organize the annual America Saves Week, which was launched in 2007; that America Saves Week offers an opportunity for organizations to promote good savings behavior to their clients, constituents, members, or volunteers and for individuals to annually assess their savings and to take financial action; and that, because it is a social marketing campaign that seeks to influence behavior, it is important to maintain a constant flow of information between the grassroots and national levels for purposes of providing additional information and continually revising policies, products, services, and support that is responsive to current needs.

Elaborating on the methods used to maintain the constant flow of information in the America Saves program, Ms. Register advised that the campaign conducts an Annual Savings Survey for America Saves Week; that the program has started an America's Savers survey, with separate surveys for local campaigns to assess the community impact; that the program receives tips and
stories directly from savers; and that the program communicates directly with organizations, including financial institutions. With respect to the Annual Savings Survey, she reported that it started in 2008 and is conducted by the Opinion Research Corporation; that each year since 2008, a representative sample of over 1,000 adults is surveyed; that from 2008 to 2012, those who said they spend less than their income and save the difference declined from 73 percent to 66 percent; that those who said they had sufficient emergency savings fell from 71 percent to 66 percent; that those who said they are saving enough for retirement declined from 52 percent to 43 percent; and that for those with incomes below $25,000 in 2012, the numbers were much lower, with 44 percent saying they spent less than their income and saved the difference, 33 percent saying they had sufficient emergency savings, and only 17 percent saying they were saving enough for retirement. Citing the results of the most recent annual Holiday Spending Survey, jointly conducted by the CFA and the Credit Union National Association, which show that only 49 percent of all respondents and 19 percent of respondents with incomes below $25,000 reported having at least $1,000, not including lines of credit, to pay for unexpected expenditures, she expressed the view that the nation is not doing enough to address savings needs and that, with research showing that most LMI households can afford to save something, the unmet savings needs reflect far more than inadequate incomes. Ms. Register further reported that the results of the 2012 Annual Savings Survey clearly revealed that having a savings plan with specific goals can have beneficial financial effects even for low-income families; that, when income is taken into account, those with a savings plan are much more likely to spend less than their income and save the difference, have adequate emergency savings, and, among the non-retired, indicate that they are saving enough for retirement; and that households with incomes under $25,000 that have a savings plan save more than higher-income families that do not have a plan.

Next discussing the America Saves Surveys of Savers, Ms. Register stated that the primary take-away is that participants do save and are saving more, are more hopeful about their financial situations, and are better managing their debt; that from 2009 through 2012, creating an emergency fund was the primary goal for campaign participants, followed by education and debt repayment, with the savings goals having changed over the years to reflect the current state of the economy, people’s sense of where they are and what they think is important, and their sense of well-being; and that females reported saving $500 less per household than male savers, divorce has a predictably

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negative impact on savings, and savers aged 55 to 64 saved the most successfully, having saved an average of $2,000 since joining the campaign. Moving to information gleaned from saver tips and stories, she stated that the major take-away was that before they actually start saving, people are very pessimistic about their ability to save and that virtually every successful savings story involves a plan and/or an automatic component.

Ms. Register then addressed information gathered from the CFA’s communications with organizations, noting that the CFA works closely with national partners such as federal agencies, associations, large employers, and regional banks to build up their participation and embed it in the culture of the organization so that it will survive staff and leadership changes; and that ongoing communication with organizations is via emails, conversations, and a reporting survey asking America Saves participants to describe their campaign plans and actual activities. Focusing on financial institution participants, she indicated that financial institutions have clearly communicated that they want to help people save and they are increasingly willing to participate in America Saves Week, with their participation in America Saves Week having increased significantly to almost 350 institutions. Providing examples of America Saves campaigns sponsored by financial institutions, she reported that Prudential Retirement Insurance and Annuity Company, in 2010, offered a promotional certificate of deposit during America Saves Week and conducted a satellite media tour, resulting in the sending of 580,000 mailers, 11,188 increases to retirement savings accounts, and $16 million in new annualized savings; and the Navy Federal Credit Union promoted the goal-oriented custom club account, with no direct deposit or checking account requirement and set-up of automatic, recurring deposits at any time, resulting in the opening of 11,532 custom club accounts, totaling $22.5 million, a 73 percent increase from prior months.

Ms. Register stated, in closing, that the FDIC has been a partner in America Saves and America Saves Week from the beginning, with past support including a speech by then Chairman Sheila Bair to nationally launch the 2008 America Saves Week campaign; issuance of press releases and memorandums to FDIC field staff in 2009 and 2010, encouraging support of local America Saves activities; a 2010 video by then Chairman Bair in support of America Saves Week posted on the home page of the FDIC’s web site; and a 2012 FDIC-hosted webinar for financial institutions and individuals. Regarding support for the 2013 America Saves Week, she advised that the FDIC had committed to

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hosting two webinars, the first of which had been held the previous week and the other to be held in January.

In the brief discussion that followed, Committee members were unanimous in their support of the need for action to boost the savings rate in the United States, with various comments and suggestions offered. Mr. Ryan strongly encouraged savings programs and offered his opinion that support for such efforts was very relevant to the FDIC's role and mission, suggesting that whatever the FDIC can do to share its research on effective programs would be helpful to bankers. Mr. Cisneros, underscoring the positive results of various savings incentive programs launched by members of the Financial Empowerment Coalition, encouraged the FDIC to stay in touch with coalition member cities and perhaps even invite them to present to the Committee more detailed information on the programs. Ms. Levere, noting that 43 percent of American households now live in liquid asset poverty, stressed that this is a watershed moment and that there is no better time to pair financial inclusion with a pathway towards savings, even if the initial emphasis is on emergency savings, and to figure out the FDIC's role, the appropriate message, how the message links to other messages and mobile technology, how to link the message to policy, and where policy incentives might be introduced. Mr. Beck, agreeing with Ms. Register that planning is critical to effective savings, expressed support for participating in programs like America Saves and communicating to banks the FDIC’s endorsement of the program. Mr. Annibale, noting the difficulty of inducing people to save at a time when interest rates are so low, suggested the need to focus on goal-oriented savings accounts that are more relevant to the targeted population, such as back-to-school savings accounts and remittance savings accounts. Mr. Eakes, after giving recognition to Ms. Levere, Mr. Cisneros, and Mr. Annibale as national leaders in promoting savings, encouraged the FDIC, as a next step, to determine how best to make savings programs scalable, perhaps by working with institutions like a large corporation, a city, or a union. Mr. Henderson, citing the Educational Testing Service report findings on “Fault Lines in American Democracy: Civic Knowledge, Voting Behavior, and Civic Engagement in the United States,” suggested that the core questions about how to enhance savings and promote banking relationships have a much broader impact than savings per se and should be considered within the context of their impact on civic knowledge and engagement.

Chairman Gruenberg, observing that the discussion on household savings and trends had been very useful, indicated that staff would give some thought to what tangible and constructive
action the FDIC can take beyond what has already been done, and perhaps seek input from national leaders and revisit the issue at the Committee’s next meeting. He also observed that one of the items highlighted by the discussion was that using account-based debit cards is probably the most realistic platform for expanding unbanked and underbanked access to financial institutions, underscored his desire to build on that foundation, and expressed hope that staff also could at the next meeting report additional progress on the model transactions accounts. He noted that KeyBank and Citi Group, from which the Committee had already heard, are undertaking efforts in that regard and indicated that he and Mr. Cisneros were working on a movement to expand that effort, with the hope that additional institutions working on similar efforts would soon be invited to make presentations to the Committee. In summary, he stated that, with continued work on the mobile banking issue and the release of the 2011 Household Survey and 2011 Bank Survey, the Committee is engaged in a strong series of initiatives. He then introduced Thomas M. Hoenig, Vice Chairman, noting that he was the President of the Federal Reserve Bank of Kansas City for 20 years, and its Director of Supervision prior to that; that he was one of the national leaders on financial regulation; and that it was a tribute to him of his willingness to take on the role as Vice Chairman of the FDIC, and asked if he would like to make any remarks.

Vice Chairman Hoenig, indicating that it was his first meeting with the Committee, stated that he found the information presented and discussions interesting and that the issues were ones in which he had long been interested. Citing mobile payments and its evolution and the opportunity for international remittances presented by decoupled debit, he observed that there are all kinds of possibilities on the horizon, but suggested that the challenge would be to effectively harness the possibilities. He then thanked Chairman Gruenberg for asking for his remarks.

There being no further business, the meeting was adjourned.

Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
And Committee Management Officer
FDIC Advisory Committee on Economic Inclusion

December 13, 2012
Minutes of
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

December 13, 2012 - 1:58 P.M.

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