

To the FDIC:

I am writing in strong support of the FDIC's proposal to issue a Small Business Lending Survey, including some questions regarding consumer transaction accounts, prepaid cards, overdraft, identification requirements, and applicant screening processes.

<https://www.federalregister.gov/articles/2016/02/05/2016-02237/agency-information-collection-activities-submission-for-omb-review-comment-request-re-fdic-small>.

Woodstock Institute believes that the collection of information is necessary for the proper performance of the FDIC's functions and has significant practical utility in both the field of small business lending and the field of basic consumer transaction accounts and efforts to bank the unbanked. Too often, low- and moderate-income consumers are discouraged from entering or re-entering the financial mainstream by overly harsh bank policies related to minimum bank account opening and balance requirements, overdraft fees, identification requirements, and screening processes.

Small business lending by banks has declined precipitously in recent years and many non-bank lenders have emerged to meet the demand, often with small business owners ending up in debt traps. There is a need for more and better information about small business lending and competitive advantages of bank and non-bank lenders, including the fact that less regulation or lack of regulation of non-bank lenders puts banks at a competitive disadvantage and borrowers at risk of taking out loans for which they lack the ability to repay. We suggest adding to the survey question #17 regarding the top competitor's advantages compared to "your bank," an option "s" to indicate that the "non-bank or crowd-funded competitor is less regulated than bank small business lenders."

With respect to the survey questions regarding overdraft on basic transaction accounts (##30-35), we suggest asking similar questions with respect to the bank's GPR prepaid and basic savings products.

Regarding survey questions relating to identification requirements (## 36-38), we suggest adding another question after #38: "Does your bank accept municipal IDs from applicants seeking to open a new consumer checking account?" Some municipalities, such as New York City, have developed high-security municipal IDs that could be used for identification in this context.

Thank you for the opportunity to comment.

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