

Deposit Products

This chapter examines the following topics:

- Minimum Balance Required for Basic Accounts
- Payment Options Available for Basic Accounts
- NSF Fees and Options

These questions address aspects of the Congressional Question 4: transaction costs that may prevent un/underbanked individuals from establishing accounts.

Summary

Most banks offer low-cost accounts with low minimum balance requirements. The survey shows that the majority of banks (an estimated 62 percent) do not require a minimum balance for their most basic checking accounts, and that an additional 8 percent of banks waive minimum balance requirements with direct deposit.

Most banks include free check writing and debit card use in their most basic checking accounts. Most banks (90 percent) include free check writing, and 84 percent include free debit card transactions. Online bill payment is included at no additional cost at 64.8 percent of banks.

Nearly all (99 percent) banks charge NSF fees on their most basic transaction accounts, with a mean fee of \$25.89. Over half of the banks surveyed offer programs to cover or waive the NSF items and alerts to notify customers of low balances or NSF transactions.

Banks policies for closing accounts are inconsistent. Many banks will automatically close the account once a threshold number of NSF items are reached or if a persistent negative balance remains for a bank-determined time period, which can range from 10 to 180 days.

Minimum Balance Requirement for Bank Accounts

Question VI A. Does the bank's most basic or entry-level checking account have a minimum balance requirement?

Yes No, but only with direct deposit No

A majority (61.6 percent) of banks do not require a minimum balance for their basic checking account product. An additional 8.1 percent of banks waive the minimum balance requirement if customers use direct deposit.

QVIA. Figure 1. Does the most entry level checking account have a minimum balance?

		Frequency	Weighted Frequency	Weighted Percent
Valid	No	434	4523	61.6
	Yes	186	2222	30.3
	No, but only with direct deposit	56	593	8.1
	Total	676	7337	100.0
Missing	System	9	103	
Total		685	7440	

There are no differences among regions for banks with minimum balance requirements.

There is a difference between tiers for banks that have minimum balance requirements. A smaller percentage of banks require a minimum balance in Tier 2 (18.5 percent) than in Tier 3 (31.3 percent). Tier 1 and Tier 2 have a higher percent of banks that do not require a minimum balance (75.0 percent and 73.9 percent, respectively), compared with 60.6 percent of Tier 3.

QVIA. Figure 2. Tier

		Does the most entry level checking account have a minimum balance?		
		Tier 1	Tier 2	Tier 3
No	Count	19	402	4102
	%	75.0%	73.9%	60.6%
Yes	Count	2	101	2119
	%	8.3%	18.5%	31.3%
No, but only with direct deposit	Count	4	42	547
	%	16.7%	7.6%	8.1%
Total	Count	25	544	6768
	%	100.0%	100.0%	100.0%

There is little difference between urban and rural banks for banks with minimum balance requirements.

Question VI A-1. If minimum balance is required, what is the minimum balance?

\$___ with direct deposit / \$___ without direct deposit

Question VI A-2. If minimum balance is not required, what other fees apply?

\$___ with direct deposit / \$___ without direct deposit

The estimated mean minimum balance requirements and fees for checking accounts without direct deposit are slightly higher than for those with direct deposit (\$185.80 vs. \$161.93).

However, both the median and mode minimum balance for accounts with or without direct deposit are \$100.00. Without direct deposit or a minimum balance, monthly fees range from \$0.00 to \$250.00.

QVIA-1. Figure 1. Statistics

Weighted		Minimum balance with direct deposit	Minimum balance without direct deposit	Fees with direct deposit	Fees without direct deposit
N	Valid	1773	2179	1002	1125
	Missing	5667	5261	6438	6315
Mean		\$161.92	\$185.80	\$10.38	\$11.16
Median		\$100.00	\$100.00	\$0.00	\$0.00
Mode		\$100.00	\$100.00	\$0.00	\$0.00
Minimum		\$0.00	\$0.00	\$0.00	\$0.00
Maximum		\$1,500.00	\$1,500.00	\$250.00	\$250.00

There are no differences among tiers or regions for minimum balance amounts with direct deposit.

There is no difference between urban and rural banks for minimum balance amounts with direct deposit.

There is no difference between tiers for minimum balance amounts without direct deposit.

There is no difference between urban and rural banks for minimum balance amounts without direct deposit.

There are differences among regions for minimum balance amounts for accounts without direct deposit. The minimum balance for the Pacific region is higher than that of all other regions, with a median of \$300.00, compared with a median of \$100.00 in all regions except New England (\$10.00) and the South Atlantic (\$75.00).

QVIA-1. Figure 2. Minimum Balance (if required) Without Direct Deposit on an Entry-Level Checking Account

Region	Median Minimum Balance without Direct Deposit	Sample Size
New England	\$10.00	5
Mid Atlantic	\$100.00	15
South Atlantic	\$75.00	16
East South Central	\$100.00	18
West South Central	\$100.00	43
East North Central	\$100.00	26
West North Central	\$100.00	29
Mountain	\$100.00	10
Pacific	\$300.00	19

There is no difference among tiers or regions for fees on basic checking accounts without a minimum balance requirement.

There is no difference between urban and rural banks for fees on basic checking accounts without a minimum balance requirement.

Payment Options Available for Basic Accounts

Question VI B. For the most basic transaction deposit account, what payment options are included/available?

Product	Included at No Cost	Available for a Fee	Not Offered	Monthly Fee (if applicable)	Per-Transaction Fee (if applicable)
Check writing	90.0%	9.5%	0.4%	\$5.43	\$0.29
ATM card (PIN-only)	80.6%	10.2%	9.2%	\$1.08	\$0.75
Debit card signature (Visa/MasterCard)	84.2%	11.0%	4.8%	\$1.48	\$0.36
Online bill payment	64.8%	21.5%	13.7%	\$5.50	\$0.27

Ninety-percent (90 percent) of banks include free check writing in their most basic transaction account product.

Online bill payment is the most common fee-based product offered (21.5 percent), but the majority of banks still provide this feature at no cost (64.8 percent). If there is a fee associated with online bill payment, it is typically about \$5.50 per month or \$0.27 per transaction. Online bill payment is also the most common product not offered by banks (13.7 percent).

QVIB. Figure 1. Is check writing available for the most basic transaction account?

		Frequency	Weighted Frequency	Weighted Percent
Valid	Not offered	4	32	.4
	Included at no cost	595	6413	90.0
	Available for a fee	59	677	9.5
	Total	658	7122	100.0
Missing	System	27	318	
Total		685	7440	

There are no differences among between regions or tiers in check writing availability.

The median monthly fee for check writing, if banks charge a fee, is \$3.00. In addition, the median per transaction fee for writing a check is \$0.20.

QVIB. Figure 2 Statistics

Weighted		Check Writing Monthly Fee	Check Writing Transaction Fee
N	Valid	357	464
	Missing	320	213
Mean		\$5.43	\$.29
Median		\$3.00	\$.20
Mode		\$5.00	\$.25
Minimum		\$.00	\$.00
Maximum		\$50.15	\$2.00

There are no differences among tiers or regions in monthly or per-item check writing fees.

Most (80.6 percent) banks include ATM cards at no cost with their most basic accounts, and 10.2 percent offer an ATM card with a fee.

QVIB. Figure 3. Is an ATM card available for the most basic transaction account?

		Frequency	Weighted Frequency	Weighted Percent
Valid	Not offered	51	634	9.2
	Included at no cost	525	5553	80.6
	Available for a fee	61	699	10.2
	Total	637	6886	100.0
Missing	System	48	554	
Total		685	7440	

There is a difference between regions in ATM card availability. A larger percentage of West North Central banks (19.4 percent) offer ATM cards for a fee, than in the Pacific (0 percent).

QVIB. Figure 4. Is an ATM card available for the most basic transaction account?

		Is an ATM card available for the most basic transaction account?								
		New England	Mid-Atlantic	South Atlantic	East South Central	West South Central	East North Central	West North Central	Mountain	Pacific
Not offered	Count	27	41	76	14	99	137	96	68	75
	%	6.3%	8.2%	9.6%	2.2%	9.3%	10.9%	7.1%	15.3%	18.4%
Included at no cost	Count	374	427	677	580	811	1007	996	347	335
	%	86.5%	85.6%	85.6%	92.4%	76.0%	80.1%	73.5%	77.7%	81.6%
Available for a fee	Count	31	31	38	34	157	114	263	31	0
	%	7.1%	6.2%	4.8%	5.5%	14.7%	9.1%	19.4%	6.9%	.0%
Total	Count	432	498	791	628	1068	1257	1355	446	410
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

There is no difference between tiers in ATM card availability.

Of the banks that offer an ATM card for a fee, the mean monthly fee is \$1.08, and the mean transaction fee is \$0.75.

QVIB. Figure 5. Statistics

Weighted		ATM Monthly Fee	ATM Transaction Fee
N	Valid	422	195
	Missing	277	504
Mean		\$1.08	\$.75
Median		\$1.00	\$1.00
Mode		\$1.00	\$1.00
Minimum		\$.00	\$.00
Maximum		\$2.00	\$2.00

There are no differences among tiers or regions for ATM fees.

Almost all banks (95.2 percent) offer a debit card with their most basic transaction account; 84.2 percent banks offer it for free, and 11.0 percent of banks offer it for a fee.

QVIB. Figure 6. Is a debit card available for the most basic transaction account?

		Frequency	Weighted Frequency	Weighted Percent
Valid	Not offered	27	339	4.8
	Included at no cost	562	5911	84.2
	Available for a fee	60	769	11.0
	Total	649	7019	100.0
Missing	System	36	421	
Total		685	7440	

There are differences among regions in debit card availability and the incidence of fees. There is a difference between the Pacific region and the West North Central region. Only 3.1 percent of banks in the Pacific charge a fee for a debit card, compared with 20.5 percent of West North Central banks. However, a greater percentage of banks in the West North Central offer a debit card (96.8 percent) than in the Pacific (86.9 percent).

QVIB. Figure 7. Region

		Is a debit card available for the most basic transaction account?								
		New England	Mid-Atlantic	South Atlantic	East South Central	West South Central	East North Central	West North Central	Mountain	Pacific
Not offered	Count	14	14	41	17	58	68	41	27	58
	%	3.3%	2.6%	4.9%	2.6%	5.1%	5.5%	3.2%	5.8%	13.1%
Included at no cost	Count	401	481	743	625	866	1093	969	360	372
	%	95.9%	92.1%	88.6%	95.3%	75.3%	87.7%	76.3%	76.1%	83.8%
Available for a fee	Count	3	27	55	14	226	86	260	86	14
	%	.8%	5.2%	6.5%	2.1%	19.6%	6.9%	20.5%	18.1%	3.1%
Total	Count	418	522	839	655	1150	1247	1270	473	444
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

There is little difference between tiers for debit card availability.

The median monthly fee for banks charging a fee for debit cards is \$1.00, while the median per-item transaction fee is \$0.12. Less than 2 percent of banks report having per item fees for debit card usage.

QVIB. Figure 8. Statistics

Weighted		Debit Card Monthly Fee	Debit Card Transaction Fee
N	Valid	520	113
	Missing	250	656
Mean		\$1.48	\$.36
Median		\$1.00	\$.12
Mode		\$1.00	\$.00
Minimum		\$.00	\$.00
Maximum		\$5.00	\$1.25

There are few differences among tiers or regions for debit card fees.

Online bill payment is not offered by 13.7 percent banks, but it is available at no additional cost at 64.8 percent of banks.

QVIB. Figure 9. Is online bill pay available for the most basic transaction account?

		Frequency	Weighted Frequency	Weighted Percent
Valid	Not offered	71	950	13.7
	Included at no cost	445	4502	64.8
	Available for a fee	130	1495	21.5
	Total	646	6947	100.0
Missing	System	39	492	
Total		685	7440	

There are no differences among regions or tiers for bill pay availability.

Among banks that charge a fee, the median monthly fee for bill payment services is \$5.00, and the median per-item transaction fee is \$0.35. These are the highest and most commonly charged fees among the payment options listed in the survey.

QVIB. Figure 10. Statistics

Weighted		Bill pay Monthly Fee	Bill pay Transaction Fee
N	Valid	1093	154
	Missing	401	1341
Mean		\$5.50	\$.27
Median		\$5.00	\$.35
Mode		\$5.95	\$.00
Minimum		\$.00	\$.00
Maximum		\$10.00	\$.55

There is a difference between tiers in monthly fees charged for bill payment, but not in per-transaction fees, among banks that charge a fee for online bill payment services. Fees for Tier 1 (mean: \$6.95) are higher than for Tier 2 (mean: \$4.86). The Tier 3 mean (\$5.54) and median (\$5.00) monthly fees fall between those for Tiers 1 and 2.

QVIB. Figure 11. Tier 1

		Bill Pay Monthly Fee	Bill Pay Transaction Fee
N	Valid	2	0
	Missing	1	3
Mean		\$6.95	
Median		\$6.95	
Mode		\$6.95	
Minimum		\$6.95	
Maximum		\$6.95	

QVIB. Figure 12. Tier 2

		Bill pay Monthly Fee	Bill pay Transaction Fee
N	Valid	66	17
	Missing	17	66
Mean		\$4.86	\$.36
Median		\$4.95	\$.40
Mode		\$4.95	\$.00(a)
Minimum		\$.00	\$.00
Maximum		\$6.95	\$.55

Multiple modes exist. The smallest value is shown.

QVIB. Figure 13. Tier 3

		Bill pay Monthly Fee	Bill pay Transaction Fee
N	Valid	1025	137
	Missing	383	1271
Mean		\$5.54	\$.26
Median		\$5.00	\$.25
Mode		\$5.95	\$.00
Minimum		\$.55	\$.00
Maximum		\$10.00	\$.55

There are no differences among regions in bill payment fees for banks that charge fees.

There are differences between urban and rural banks for the availability of ATM cards, debit cards, and online bill payment. A larger percentage of rural banks (14.2 percent) charge fees for ATM card access than urban banks (5.6 percent). Fourteen-percent (14.1 percent) of rural banks charge fees for debit card access, compared with 7.4 percent of urban banks; and 20.0 percent of rural banks do not offer online bill payment, compared with 6.8 percent of urban banks.

QVIB. Figure 14. Urban and Rural

		Availability of Payment Options in Most Basic Transaction Account							
		Rural HQ				Urban HQ			
		Check Writing	ATM Card	Debit Card	Online Bill Pay	Check Writing	ATM Card	Debit Card	Online Bill Pay
Not offered	Co	27	342	154	725	5	292	185	226
	unt %	.7%	9.4%	4.1%	20.0%	.1%	9.0%	5.6%	6.8%
Included at no cost	Co	3323	2770	3033	2120	3089	2783	2878	2382
	unt %	87.6%	76.3%	81.8%	58.4%	92.8%	85.4%	87.0%	71.8%
Available for a fee	Co	441	516	523	786	236	183	246	708
	unt %	11.6%	14.2%	14.1%	21.7%	7.1%	5.6%	7.4%	21.4%
Total	Co	3792	3628	3710	3631	3330	3258	3309	3316
	unt %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

NSF Fees and Options

Question VI C. Does the bank charge a per-item NSF fee on its most basic (lowest cost) transaction account?

Yes No

Nearly all (99.2 percent) banks charge NSF fees on their most basic account, and less than 1 percent of banks do not charge an NSF fee.

QVIC. Figure 1. Does the bank charge a NSF fee on its most basic account?

		Frequency	Weighted Frequency	Weighted Percent
Valid	No	5	58	.8
	Yes	667	7234	99.2
	Total	672	7293	100.0
Missing	System	13	147	
Total		685	7440	

There are minimal differences among regions or tiers in the share of banks that charge NSF fees.

There is no difference between urban and rural banks for banks that charge NSF fees.

Question VI C-1. If yes, what is the standard or typical NSF fee for this account?

NSF fees range from \$8.00 to \$38.00, with a median of \$25.00 and a mean of mean of \$25.89.

QVIC-1. Figure 1. Standard NSF Fee

N	Valid	7206
	Missing	28
Mean		\$25.89
Median		\$25.00
Mode		\$25
Minimum		\$8
Maximum		\$38

There are differences among regions for NSF fee amounts. Banks in the West North Central (mean of \$23.05) and Pacific (\$24.37) regions charge lower fees than those in the East North Central (\$25.82), which charge lower fees than in the Mid Atlantic (\$29.74) and South Atlantic (\$30.64) regions.

QVIC-1. Figure 2. New England: Standard NSF Fee

N	Valid	405
	Missing	14
Mean		\$25.81
Median		\$25.00
Mode		\$25
Minimum		\$16
Maximum		\$30

QVIC-1. Figure 5. East South Central: Standard NSF Fee

N	Valid	669
	Missing	0
Mean		\$27.82
Median		\$28.00
Mode		\$25
Minimum		\$20
Maximum		\$36

QVIC-1. Figure 3. Mid Atlantic: Standard NSF Fee

N	Valid	560
	Missing	0
Mean		\$29.74
Median		\$30.00
Mode		\$30
Minimum		\$15
Maximum		\$38

QVIC-1. Figure 6. West South Central: Standard NSF Fee

N	Valid	1136
	Missing	14
Mean		\$24.16
Median		\$25.00
Mode		\$25
Minimum		\$10
Maximum		\$35

QVIC-1. Figure 4. South Atlantic: Standard NSF Fee

N	Valid	860
	Missing	0
Mean		\$30.64
Median		\$30.00
Mode		\$30
Minimum		\$20
Maximum		\$37

QVIC-1. Figure 7. East North Central: Standard NSF Fee

N	Valid	1273
	Missing	1
Mean		\$25.82
Median		\$25.00
Mode		\$25
Minimum		\$10
Maximum		\$38

**QVIC-1. Figure 8. West North Central:
Standard NSF Fee**

N	Valid	1383
	Missing	0
Mean		\$23.05
Median		\$25.00
Mode		\$25
Minimum		\$8
Maximum		\$35

**QVIC-1. Figure 10. Pacific:
Standard NSF Fee**

N	Valid	444
	Missing	0
Mean		\$24.37
Median		\$25.00
Mode		\$25
Minimum		\$15
Maximum		\$30

**QVIC-1. Figure 9. Mountain:
Standard NSF Fee**

N	Valid	476
	Missing	0
Mean		\$24.95
Median		\$25.00
Mode		\$25
Minimum		\$18
Maximum		\$34

There are differences among tiers in NSF fee amounts. Fees for Tier 3 (mean of \$25.61) are lower than for Tier 2 (\$29.10) and Tier 1 (\$30.55).

QVIC-1. Figure 11. Tiers: Standard NSF Fee

Tier 1	N	Valid	24
		Missing	1
	Mean		\$30.55
	Median		\$31.50
	Mode		\$35
	Minimum		\$18
	Maximum		\$38
Tier 2	N	Valid	538
		Missing	0
	Mean		\$29.10
	Median		\$30.00
	Mode		\$30
	Minimum		\$15
	Maximum		\$38
Tier 3	N	Valid	6645
		Missing	27
	Mean		\$25.61
	Median		\$25.00
	Mode		\$25
	Minimum		\$8
	Maximum		\$37

There is a difference between urban and rural banks in NSF fees charged. This may correlate with differences associated with asset size, since more banks in Tier 3 tend to be rural banks and all Tier 1 banks are urban banks. The median for rural banks is \$25.00, and the median for urban banks is \$28.00.

QVIC-1. Figure 12. Rural: Standard NSF Fee

N	Valid	3864
	Missing	96
Mean		\$24.92
Median		\$25.00
Mode		\$25
Minimum		\$8
Maximum		\$37

QVIC-1. Figure 13. Urban: Standard NSF Fee

N	Valid	3390
	Missing	90
Mean		\$27.48
Median		\$28.00
Mode		\$25
Minimum		\$15
Maximum		\$38

Question VI C-2. Does the bank offer any programs to cover or waive NSF items on this account? Yes No

Over half (59.4 percent) of banks that charge NSF fees offer some type of program that will cover or waive the fee.

QVIC-2. Figure 1. Does the bank offer programs to waive the NSF fee?

		Frequency	Weighted Frequency	Weighted Percent
Valid	No	243	2882	40.6
	Yes	412	4209	59.4
	Total	655	7091	100.0
Missing	System	12	144	
Total		667	7234	

There are minimal differences between regions in the share of banks that had programs to cover or waive NSF fees.

There is a difference between tiers for programs to cover or waive NSF fees. A higher percentage of banks in Tier 2 offer programs to cover or waive NSF fees (75.8 percent) than banks in Tier 3 (57.9 percent).

QVIC-2. Figure 2. Tier

		Does the bank offer programs to cover or waive the NSF fee?		
		Tier 1	Tier 2	Tier 3
No	Count	5	128	2748
	%	20.8%	24.2%	42.1%
Yes	Count	20	402	3787
	%	79.2%	75.8%	57.9%
Total	Count	25	531	6535
	%	100.0%	100.0%	100.0%

There is a difference between urban and rural banks for banks that offer programs to cover or waive NSF fees. About two-thirds (62.8 percent) of urban banks offer programs to cover or waive the fees, compared with 56.4 percent of rural banks.

QVIC-2. Figure 3. Urban/Rural

		Does the bank offer programs to cover or waive the NSF fee?	
		Rural HQ	Urban HQ
No	Count	1672	1210
	%	43.6%	37.2%
Yes	Count	2164	2045
	%	56.4%	62.8%
Total	Count	3836	3255
	%	100.0%	100.0%

Question VI C-2. a) If yes, please describe:

Of the surveyed banks, 410 described their programs to waive NSF fees.

Respondents reported two main ways to cover or waive NSF items: a line of credit or an automatic transfer from one account to another to cover NSF items. Banks typically offer automatic transfers at a lower fee than a line of credit, but this option may not be available for un/underbanked individuals who do not have either an additional account or sufficient money in other accounts to cover the NSF item(s). In this case, banks may offer customers a line of credit requiring them to pay off the balance and interest within a 30 to 90 day period.

- A majority (313) of respondents indicated that they offer Overdraft Protection (ODP), ODP Lines of Credit, or Bounce Protection.
- A total of 184 respondents reported offering an automatic sweep transfer from a separate account to cover NSF items. Of these 184 banks, 19 describe a transfer fee, which can range from \$1.00 to \$10.00, in order to move money from another account into the overdrawn account. Three banks offer free transfer sweeps.
- Seventy-two banks indicated that fees are charged with their NSF programs. Four banks offer a line of credit with no initial fees attached, aside from the interest to be paid on the loan.
- Nineteen banks reported either waving the first NSF fee completely or giving officers authority to waive some or all of the fees.
- Sixty-three respondents described an overdraft limit up to which they will cover NSF items. These limits range from \$100 to \$50,000, which was cited by one bank. The mean overdraft limit, excluding two extreme instances of \$25,000 and \$50,000, is \$551.

Question VIC-3. Does the bank offer “alerts” to notify customers with these accounts of low balances or NSF transactions on this account?

Yes No

Over half (54.4 percent) of banks that charge NSF fees offer alerts to notify customers of low balances or NSF transactions.

QVIC-3. Figure 1. Does the bank offer alerts to notify customers of low balances or NSF fees?

		Frequency	Weighted Frequency	Weighted Percent
Valid	No	296	3280	45.6
	Yes	365	3913	54.4
	Total	661	7193	100.0
Missing	System	6	41	
Total		667	7234	

There are no differences among regions or tiers in the provision of alerts to notify customers of NSF fees.

There is little difference between urban and rural banks regarding alerts that notify customers of NSF fees.

Question VI C-4. Will the bank automatically close this account if a threshold number of NSF items are reached or there is a persistent negative balance?

Yes No

Over half (56.7 percent) of banks that charge NSF fees will automatically close an account after a customer has reached a certain number of NSF items or a certain period of time with a negative balance.

QVIC-4. Figure 1. Will the bank automatically close the account due to NSF fees or a negative balance?

		Frequency	Weighted Frequency	Weighted Percent
Valid	No	280	3087	43.3
	Yes	378	4045	56.7
	Total	658	7132	100.0
Missing	System	9	103	
Total		667	7234	

There are differences among regions for banks that will automatically close an account due to NSF fees or a negative balance. There are differences between the New England region (85.3 percent) and the Pacific (42.8 percent), East North Central (53.3 percent), West North Central (53.3 percent), Mid-Atlantic (53.0 percent), and South Atlantic (51.5 percent) regions.

QVIC-4. Figure 2. Region

		Will the bank automatically close the account due to NSF fees or a negative balance?								
		New England	Mid-Atlantic	South Atlantic	East South Central	West South Central	East North Central	West North Central	Mountain	Pacific
No	Count	62	257	417	238	434	575	646	205	252
	%	14.7%	47.0%	48.5%	36.3%	38.7%	46.7%	46.7%	43.1%	57.2%
Yes	Count	357	290	442	417	688	655	736	271	189
	%	85.3%	53.0%	51.5%	63.7%	61.3%	53.3%	53.3%	56.9%	42.8%
Total	Count	418	546	860	655	1122	1230	1383	476	441
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

There are no differences among tiers for banks that automatically close an account due to NSF fees or negative balances.

There is no difference between urban and rural banks for banks that automatically close an account due to NSF fees or negative balances.

Question VI C-4. a) If yes, what is the monthly threshold?

Responses vary for the 277 responding banks. Eighty-three banks report that they will close accounts based on a number of NSF items per month, ranging from one to 500, and 156 other banks report that they will close accounts based on a consistent negative balance over the course of a specified amount of time, ranging from 10 days to 180 days. Thirty-eight banks report that they will review accounts on an individual basis or that their policies vary for each situation.

One bank that closes accounts with a consistent negative balance said that they will offer their “Fresh Start” program to individuals after 25 days in the red. This program charges no fees and allows individuals to keep their existing accounts.

Savings Accounts

This chapter examines the following topics:

- Basic Savings Accounts
- Individual Development Accounts
- IRS VITA Program
- Money Market Accounts
- Specialized Savings Clubs
- Workplace and School-Based Savings Accounts
- Interest Rates

These questions address aspects of the Congressional Question 4: barriers which may prevent un/underbanked individuals from establishing a savings account.

Summary

Most banks offer basic savings and money market deposit accounts for balances of \$500 or less. While basic savings accounts are nearly universal and are offered by an estimated 97 percent of banks, money market deposit accounts are offered by fewer than three-quarters (70 percent) of banks. Half (50 percent) of banks offer specialized savings clubs.

A minority of banks offer workplace-based programs, individual deposit accounts (IDAs), and IRS VITA programs. Only 7 percent of banks offer existing savings accounts through workplace-based programs, 8 percent offer IDAs, and 3 percent offer IRS VITA site programs that facilitate savings. These accounts and programs are important for outreach into the community to attract un/underbanked individuals into the conventional banking system through savings products.

Interest rates are typically very low for savings accounts. The mean rate is about 1 percent or less for all savings accounts except for individual development accounts, which is 1.2 percent.

Less than a quarter (22 percent) of the banks work with organizations to promote any kind of savings products. Banks partner with schools to attract youth and partner with local business to increase comfort with the banking system for the un/underbanked.

Basic Savings Accounts

Question VII A. For savings accounts with balances of \$500 or less, which, if any, of the following accounts are offered and what are the interest rates paid on the accounts?

QVIA. Figure 1. Savings Accounts and Programs

Product/Service	Offer for Customer?	Interest Rate Offered (as of Dec. 31, 2007)
Basic Savings (non-transactional)	96.9%	0.80%
Money Market Deposit Accounts	69.5%	1.07%
Specialized Savings Clubs	49.9%	0.93%
Other (please describe):	19.5%	1.69%
Individual Development Accounts	7.6%	1.20%
Workplace-based Programs	7.4%	0.90%
IRS VITA Program (direct deposit or split refund)	3.2%	0.49%

The majority of banks offer basic savings accounts (96.9 percent) and money market deposit accounts (69.5 percent). A much smaller percentage of banks offer workplace-based programs (7.4 percent) and individual development accounts (7.6 percent). The average interest rate for a basic savings account is 0.80 percent, compared with 1.07 percent for money market accounts.

QVIA. Figure 2. Does the bank offer basic savings accounts?

		Frequency	Weighted Frequency	Weighted Percent
Valid	No	20	222	3.1
	Yes	648	7016	96.9
	Total	668	7238	100.0
Missing	System	17	202	
Total		685	7440	

There are minimal differences among regions or tiers for banks that offer a basic savings account.

QVIA. Figure 3. Basic Savings Interest Rate

N	Valid	6507
	Missing	933
Mean		.7993
Median		.7000
Mode		.50
Minimum		.00
Maximum		4.51

There is a difference between tiers for basic savings account interest rates. Tier 1 banks offer the lowest median interest rate of 0.25 percent, compared with 0.50 percent for Tier 2 and 0.75 percent for Tier 3.

QVIA. Figure 4. Tier: Basic Savings Interest Rate

Tier 1	N	Valid	23
		Missing	2
	Mean		.3136
	Median		.2500
	Mode		.10(a)
	Minimum		.05
	Maximum		1.00
Tier 2	N	Valid	468
		Missing	83
	Mean		.6622
	Median		.5000
	Mode		.50
	Minimum		.05
	Maximum		4.51
Tier 3	N	Valid	6016
		Missing	848
	Mean		.8118
	Median		.7500
	Mode		.50
	Minimum		.00
	Maximum		3.25

Multiple modes exist. The smallest value is shown.

There are differences among regions for interest rates offered on basic savings accounts. The median rate in the New England, Mid-Atlantic, Pacific, and East North Central regions (0.50 percent) are lower than rates offered by banks in the South Atlantic (0.85 percent) and Mountain (0.95 percent) regions.

QVIA. Figure 5. New England:

Basic Savings Interest Rate

N	Valid	405
	Missing	41
Mean		.6889
Median		.5000
Mode		.50
Minimum		.10
Maximum		2.00

QVIA. Figure 9. West South Central:

Basic Savings Interest Rate

N	Valid	1047
	Missing	130
Mean		.8681
Median		.7500
Mode		.50
Minimum		.00
Maximum		2.50

QVIA. Figure 6. Mid-Atlantic:

Basic Savings Interest Rate

N	Valid	512
	Missing	69
Mean		.7609
Median		.5000
Mode		.50
Minimum		.00
Maximum		3.20

QVIA. Figure 10. East North Central:

Basic Savings Interest Rate

N	Valid	1196
	Missing	120
Mean		.6899
Median		.5000
Mode		.50
Minimum		.00
Maximum		3.25

QVIA. Figure 7. South Atlantic:

Basic Savings Interest Rate

N	Valid	702
	Missing	157
Mean		.9633
Median		.8500
Mode		.50
Minimum		.05
Maximum		4.51

QVIA. Figure 11. West North Central:

Basic Savings Interest Rate

N	Valid	1221
	Missing	189
Mean		.7545
Median		.6800
Mode		.50
Minimum		.00
Maximum		2.50

QVIA. Figure 8. East South Central:

Basic Savings Interest Rate

N	Valid	577
	Missing	106
Mean		.7732
Median		.7500
Mode		1.00
Minimum		.10
Maximum		3.93

QVIA. Figure 12. Mountain:

Basic Savings Interest Rate

N	Valid	463
	Missing	44
Mean		.9625
Median		.9500
Mode		.50
Minimum		.00
Maximum		2.75

QVIA. Figure 13. Pacific:

Basic Savings Interest Rate

N	Valid	385
	Missing	76
Mean		.8047
Median		.5000
Mode		.25
Minimum		.10
Maximum		2.25

Individual Development Accounts

Overall, 7.6 percent of the banks offer IDAs.

QVIA. Figure 14. Does the bank offer Individual Development Accounts?

		Frequency	Weighted Frequency	Weighted Percent
Valid	No	517	5876	92.4
	Yes	68	482	7.6
	Total	585	6358	100.0
Missing	System	100	1081	
Total		685	7440	

There are minimal differences among regions for banks that offer Individual Development Accounts.

There is a difference among tiers for banks that offer IDAs. Each tier is different from the others, with the highest percentage of banks offering IDAs in Tier 1 (50.0 percent), followed by Tier 2 (22.1 percent) and Tier 3 (6.3 percent).

QVIA. Figure 15. Rate by Tier

		Does the bank offer Individual Development Accounts?		
		Tier 1	Tier 2	Tier 3
No	Count	13	354	5510
	%	50.0%	77.9%	93.7%
Yes	Count	13	101	369
	%	50.0%	22.1%	6.3%
Total	Count	25	454	5879
	%	100.0%	100.0%	100.0%

Overall, the median interest rate for IDAs is 0.75 percent, and the mean is 1.20 percent.

QVIA. Figure 16. Individual Development Account Interest Rate

N	Valid	416
	Missing	7024
Mean		1.1960
Median		.7500
Mode		.50
Minimum		.00
Maximum		4.75

There is a difference between tiers for IDA interest rates. Smaller banks tend to offer a higher interest rate; Tier 3 banks have a median of 1.0 percent, compared with 0.40 percent in Tier 2 and 0.20 percent in Tier 1.

**QVIA. Figure 17. Tier 1:
Individual Development
Account Interest Rate**

N	Valid	8
	Missing	17
Mean		.2306
Median		.2000
Mode		.20
Minimum		.01
Maximum		.55

**QVIA. Figure 19. Tier 3:
Individual Development
Account Interest Rate**

N	Valid	328
	Missing	6535
Mean		1.3617
Median		1.0000
Mode		1.00
Minimum		.00
Maximum		4.75

a Multiple modes exist. The smallest value is shown

**QVIA. Figure 18. Tier 2:
Individual Development
Account Interest Rate**

N	Valid	80
	Missing	472
Mean		.6153
Median		.4000
Mode		.50
Minimum		.00
Maximum		4.25

There are no differences among regions for individual development account interest rates.

IRS VITA Programs

Very few banks (3.2 percent) participate in IRS VITA programs. These programs help banks offer existing savings accounts to VITA customers.

QVIA. Figure 20. Does the bank offer IRS VITA programs?

		Frequency	Weighted Frequency	Weighted Percent
Valid	No	537	5921	96.8
	Yes	26	195	3.2
	Total	563	6116	100.0
Missing	System	122	1324	
Total		685	7440	

There are no differences among regions for banks that participate in IRS VITA programs.

There is a difference between tiers for banks that participate in IRS VITA programs. A higher percentage of Tier 1 banks (14.3 percent) participate in IRS VITA programs than Tier 3 banks (2.7 percent).

QVIA. Figure 21. Tier

		Does the bank offer IRS VITA programs?		
		Tier 1	Tier 2	Tier 3
No	Count	19	406	5496
	%	85.7%	90.7%	97.3%
Yes	Count	3	42	150
	%	14.3%	9.3%	2.7%
Total	Count	22	447	5647
	%	100.0%	100.0%	100.0%

The overall median interest rate for IRS VITA programs is 0.25 percent, and the mean is 0.49 percent.

QVIA. Figure 22. Weighted Statistics: IRS VITA Interest Rate

N	Valid	167
	Missing	7273
Mean		.4905
Median		.2500
Mode		.50
Minimum		.00
Maximum		4.50

There are minimal differences between tiers or regions in IRS VITA program interest rates.

Money Market Accounts

Over two-thirds (69.5 percent) of banks offer Money Market Accounts (MMA).

QVIA. Figure 23. Does the bank offer Money Market accounts?

		Frequency	Weighted Frequency	Weighted Percent
Valid	No	189	2085	30.5
	Yes	440	4755	69.5
	Total	629	6840	100.0
Missing	System	56	600	
Total		685	7440	

There are minimal differences among regions and tiers in the percent of banks that offer Money Market Accounts.

The overall median interest rate for an MMA is 1.00 percent, and the mean is 1.07 percent.

QVIA. Figure 24. Weighted Statistics: MMA Interest Rate

N	Valid	3922
	Missing	3518
Mean		1.0678
Median		1.0000
Mode		1.00
Minimum		.00
Maximum		4.25

There are no differences among tiers or regions for MMA interest rates.

Specialized Savings Accounts

About half (49.9 percent) of banks offer specialized savings clubs.

QVIA. Figure 25. Does the bank offer specialized savings clubs?

		Frequency	Weighted Percent	Weighted Percent
Valid	No	303	3305	50.1
	Yes	301	3298	49.9
	Total	604	6602	100.0
Missing	System	81	837	
Total		685	7440	

A smaller percentage of Mountain (22.4 percent), Pacific (25.1 percent), and West South Central (27.4 percent) banks offer specialized savings clubs than New England (80.6 percent), Mid-Atlantic (78.7 percent), and East North Central (76.3 percent) banks.

QVIA. Figure 26. Region

		Does the bank offer specialized savings clubs?								
		New England	Mid-Atlantic	South Atlantic	East South Central	West South Central	East North Central	West North Central	Mountain	Pacific
No	Count	80	115	489	248	736	284	723	332	299
	%	19.4%	21.3%	64.3%	43.3%	72.6%	23.7%	56.5%	77.6%	74.9%
Yes	Count	332	424	271	325	277	914	557	96	100
	%	80.6%	78.7%	35.7%	56.7%	27.4%	76.3%	43.5%	22.4%	25.1%
Total	Count	411	539	760	573	1013	1198	1280	428	400
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

There are no differences among tiers for banks that offer specialized savings clubs.

Overall, the median interest rate for specialized savings accounts is 0.70 percent, and the mean is 0.93 percent.

QVIA. Figure 27. Weighted Statistics: Specialized Savings Interest Rate

N	Valid	2797
	Missing	4643
Mean		.9292
Median		.7000
Mode		.50
Minimum		.00
Maximum		5.25

There are no differences among tiers or regions for specialized savings club interest rates.

Workplace - Based Savings Accounts

Few (7.4 percent) banks offer workplace-based savings accounts.

QVIA. Figure 28. Does the bank offer workplace-based savings programs?

		Frequency	Weighted Frequency	Weighted Percent
Valid	No	501	5734	92.6
	Yes	71	460	7.4
	Total	572	6193	100.0
Missing	System	113	1247	
Total		685	7440	

There are differences among regions for banks that offer workplace-based savings accounts. A smaller percentage of banks in the West South Central region (1.8 percent) offer workplace-based savings accounts than banks in the New England region (21.4 percent).

QVIA. Figure 29. Region

		Does the bank offer workplace-based savings programs?								
		New England	Mid-Atlantic	South Atlantic	East South Central	West South Central	East North Central	West North Central	Mountain	Pacific
No	Count	302	384	655	518	965	987	1145	407	370
	%	78.6%	86.6%	92.9%	95.4%	98.2%	88.1%	95.6%	94.9%	95.3%
Yes	Count	82	59	50	25	17	133	52	22	18
	%	21.4%	13.4%	7.1%	4.6%	1.8%	11.9%	4.4%	5.1%	4.7%
Total	Count	384	444	706	543	982	1120	1198	429	388
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

There are differences among tiers for banks that offer workplace-based savings accounts. About half (56.5 percent) of Tier 1, 26.0 percent of Tier 2, and 5.7 percent of Tier 3 banks offer workplace-based savings accounts.

QVIA. Figure 30. Tier

		Does the bank offer workplace-based savings programs?		
		Tier 1	Tier 2	Tier 3
No	Count	10	336	5387
	%	43.5%	74.0%	94.3%
Yes	Count	14	118	328
	%	56.5%	26.0%	5.7%
Total	Count	24	454	5715
	%	100.0%	100.0%	100.0%

Overall, the median interest rate for workplace-based accounts is 0.50 percent, and the mean is 0.90 percent.

QVIA. Figure 31. Workplace Interest Rate

N	Valid	353
	Missing	7086
Mean		.8976
Median		.5000
Mode		.00
Minimum		.00
Maximum		7.50

There are no differences among tiers or regions for workplace-based savings account interest rates.

Sixty-five banks offer other savings products. Respondent comments most frequently mention: accounts for minors (13), Christmas/holiday clubs (7), health savings (6), individual retirement accounts (IRAs) (5), and certificates of deposit (CDs) (4).

QVIA. Figure 32. Does the bank offer other savings accounts?

		Frequency	Weighted Frequency	Weighted Percent
Valid	No	195	2269	80.5
	Yes	65	551	19.5
	Total	260	2819	100.0
Missing	System	425	4621	
Total		685	7440	

There are differences among regions for banks that offer other types of savings accounts. No banks in the Mountain region offer other accounts, compared with 32.4 percent of banks in the East North Central region.

QVIA. Figure 33. Region

		Does the bank offer other savings accounts?								
		New England	Mid-Atlantic	South Atlantic	East South Central	West South Central	East North Central	West North Central	Mountain	Pacific
No	Count	114	183	311	237	315	386	390	168	164
	%	73.5%	78.9%	81.3%	81.3%	86.0%	67.6%	85.1%	100.0%	85.2%
Yes	Count	41	49	72	55	51	186	68		29
	%	26.5%	21.1%	18.7%	18.7%	14.0%	32.4%	14.9%		14.8%
Total	Count	155	233	383	292	366	572	458	168	193
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

There are differences among tiers for banks that offer other types of savings accounts. Over two-thirds (69.2 percent) of Tier 1 banks and 39.3 percent of Tier 2 banks offer other savings accounts, compared with 17.8 percent of Tier 3 banks.

QVIA. Figure 34. Tier

		Does the bank offer other savings accounts?		
		Tier 1	Tier 2	Tier 3
No	Count	4	118	2147
	%	30.8%	60.7%	82.2%
Yes	Count	9	76	465
	%	69.2%	39.3%	17.8%
Total	Count	14	194	2611
	%	100.0%	100.0%	100.0%

The overall median interest rate for other types of savings accounts is 1.29 percent, and the mean is 1.69 percent.

QVIA. Figure 35. Other Account Interest Rate

N	Valid	497
	Missing	6943
Mean		1.6905
Median		1.2900
Mode		.50
Minimum		.00
		5.00

The differences among tiers or regions for other types of savings account interest rates are minimal.

There are differences between urban and rural banks for certain types of savings accounts offered, including IDAs, workplace-based, and other types of savings accounts. Overall, a larger percentage of urban banks offer these savings programs than rural banks.

QVIA. Figure 36. Rural

		Types of Savings Accounts Offered						
		Rural HQ						
		Basic Savings Accounts	Individual Development Accounts	IRS VITA Program	Money Market Accounts	Specialized Savings Clubs	Workplace-Based Savings Programs	Other Savings Accounts
No	Count	99	3128	3193	1176	1703	3132	1231
	%	2.6%	94.1%	97.7%	32.1%	48.5%	95.0%	85.9%
Yes	Count	3744	195	75	2493	1809	164	202
	%	97.4%	5.9%	2.3%	67.9%	51.5%	5.0%	14.1%
Total	Count	3843	3323	3269	3669	3511	3296	1432
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

QVIA. Figure 37. Urban

		Types of Savings Accounts Offered						
		Urban HQ						
		Basic Savings Accounts	Individual Development Accounts	IRS VITA Program	Money Market Accounts	Specialized Savings Clubs	Workplace-Based Savings Programs	Other Savings Accounts
No	Count	123	2748	2727	908	1602	2602	1038
	%	3.6%	90.5%	95.8%	28.6%	51.8%	89.8%	74.9%
Yes	Count	3272	287	120	2263	1489	295	349
	%	96.4%	9.5%	4.2%	71.4%	48.2%	10.2%	25.1%
Total	Count	3395	3035	2847	3171	3091	2897	1387
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

There is also a difference between urban and rural banks in the interest rates banks offer for IDAs and workplace-based accounts. The median interest rate for rural bank IDAs is 1.25 percent, and the median for urban IDAs is 0.53 percent. The median for rural workplace accounts is 1.10 percent, and the median for urban workplace accounts is 0.40 percent.

QVIA. Figure 38. Rural

		Basic Savings Interest Rate	Individual Development Interest Rate	IRS VITA Interest Rate	MMA Interest Rate	Specialized Savings Interest Rate	Workplace Interest Rate	Other Account Interest Rate
N	Valid	3511	133	34	2110	1521	103	198
	Missing	448	3826	3925	1850	2438	3857	3761
Mean		.8132	1.7933	.4839	1.0982	1.0007	2.0004	1.8469
Median		.7500	1.2500	.1500	1.0000	.7500	1.1000	1.6450
Mode		.50	.15	.15	1.00	.50	1.00	.50
Minimum		.00	.15	.10	.00	.00	.00	.00
Maximum		3.00	4.75	1.00	4.25	5.00	7.50	5.00

QVIA. Figure 39. Urban

		Basic Savings Interest Rate	Individual Development Interest Rate	IRS VITA Interest Rate	MMA Interest Rate	Specialized Savings Interest Rate	Workplace Interest Rate	Other Account Interest Rate
N	Valid	2996	283	132	1812	1275	251	299
	Missing	485	3198	3348	1668	2205	3230	3182
Mean		.7830	.9141	.4922	1.0323	.8438	.4462	1.5866
Median		.6000	.5271	.3750	.8646	.6000	.4000	1.0000
Mode		.50	.50	.50	.50	.25	.50	.00
Minimum		.00	.00	.00	.00	.00	.00	.00
Maximum		4.51	4.25	4.50	3.93	5.25	3.00	4.34

Workplace and School-Based Savings Programs

Question VII B. Does the bank partner with organizations (e.g., by operating a high school branch or employer location) to promote savings products?

Yes No

Less than a quarter (22.1 percent) of banks partner with other organizations to promote savings products.

QVIIB. Figure 1. Does the bank partner with organizations to promote savings products?

		Frequency	Weighted Frequency	Weighted Percent
Valid	No	480	5703	77.9
	Yes	194	1616	22.1
	Total	674	7320	100.0
Missing	System	11	120	
Total		685	7440	

A smaller percentage of banks in the West North Central region (12.8 percent) partner with organizations to promote savings products compared with banks in the East North Central (27.0 percent), East South Central (27.2 percent), and New England (43.0 percent) regions.

QVIIB. Figure 2. Region

		Does the bank partner with organizations to promote savings products?								
		New England	Mid-Atlantic	South Atlantic	East South Central	West South Central	East North Central	West North Central	Mountain	Pacific
No	Count	254	463	685	497	876	928	1217	424	360
	%	57.0%	82.2%	79.7%	72.8%	76.2%	73.0%	87.2%	83.6%	81.0%
Yes	Count	192	100	175	186	274	343	179	83	85
	%	43.0%	17.8%	20.3%	27.2%	23.8%	27.0%	12.8%	16.4%	19.0%
Total	Count	446	563	860	683	1150	1271	1396	507	444
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

There is a difference between tiers for banks that partner with organizations to promote savings products. Over three-quarters (79.2 percent) of Tier 1 banks, 50.0 percent of Tier 2 banks, and 19.6 percent of Tier 3 banks partner with other organizations.

QVIIB. Figure 3. Tier

		Does the bank partner with organizations to promote savings products?		
		Tier 1	Tier 2	Tier 3
No	Count	5	271	5428
	%	20.8%	50.0%	80.4%
Yes	Count	20	271	1326
	%	79.2%	50.0%	19.6%
Total	Count	25	541	6754
	%	100.0%	100.0%	100.0%

There is a difference between urban and rural banks for banks that partner with organizations to promote savings products. About a fifth (18.9 percent) of rural banks partner, compared with 25.8 percent of urban banks.

QVIIB. Figure 4. Urban/Rural

		Does the bank partner with organizations to promote savings products?	
		Rural HQ	Urban HQ
No	Count	3176	2528
	%	81.1%	74.2%
Yes	Count	739	878
	%	18.9%	25.8%
Total	Count	3915	3405
	%	100.0%	100.0%

Question VII B-1. If yes, please describe.

Of the 194 respondents that reported partnering with organizations to promote savings products, 176 described the organizations with which they partner.

Respondents reported viewing partnering as an opportunity to develop relationships with local employers and their employees and to gain exposure with youth in the community through school partnerships. Comments indicated attempts to reach out to minors at a young age and show them the benefits offered by banks. Banks also view partnering with local businesses and giving presentations to employees as a means of attracting more business. Partnering with a trusted source, such as an employer, is viewed by respondents as a way of gaining credibility and building trust with unbanked and underbanked employees.

- About two-thirds (118 of 176) of responding banks partner with educational institutions from elementary schools through colleges. They use the ABA Teach Children to Save Day, Junior Achievement, Saving Makes Cents, FDIC Money Smart, and Bank-at-School programs.
- The second most common type of organization with which banks partner is local employers. A third (57 of 176) of respondents either offer Bank-at-Work programs or visit workplaces to provide informational sessions.
- A fifth (37 of 176) of banks reported working with community or non-profit organizations to promote savings products. IDAs are one of the most frequently identified products offered to organizations' unbanked and underbanked clientele.



Payments Products

This chapter examines the following topics:

- Availability of Funds for Established Customers
- Advance Loans

These questions address aspects of the Congressional Question 4: barriers which may prevent un/underbanked individuals from cashing checks.

Summary

On-us checks drawn on the bank receive the fastest funds availability for established customers when cashing checks (beyond the \$100 specified by Reg. CC). The majority of banks provide customers presenting on-us checks current day funds availability, with universal funds availability by the second business day. On-us business checks receive current business day availability at an estimated 63 percent of banks and next business day availability at 36 percent of banks. Customers presenting on-us personal checks receive current business day funds availability at 64 percent of banks and next business day availability at 36 percent of banks. Funds from government checks are available on the same day that the check is deposited at 50 percent of banks, and double-endorsed checks have the slowest funds availability, with 24 percent of banks providing same business day availability and 35 percent with next business day availability.

Banks provide relatively slow funds availability when cashing payroll checks, which can limit the attractiveness of maintaining an account for some individuals relative to using a nonbank check cashing service. A majority of banks will not provide same day availability for local payroll checks not drawn on the bank for established customers. Fifty percent make funds available the next day, and 17 percent will make funds available on the second business day.

Only about 6 percent of banks provide an advance loan on funds that are due to arrive from a deposited check or a regularly scheduled direct deposit. Typically, banks that provide an advance loan only provide it on regularly scheduled direct deposit funds and government checks.

Availability of Funds for Established Customers

Banks' funds availability policies are most favorable for on-us checks, where over 62 percent of banks provide same day availability. Checks drawn on other banks are more likely to have next business day availability than same day availability. For example, about half (49.6 percent) of banks have next day availability for local payroll checks, compared with 32 percent that have current business day availability.

Question VIII A. How soon (in terms of number of business days), beyond the \$100 specified by Reg. CC, are funds ordinarily available for an established customer who presents the following items?

QVIII.A. Figure 1. Funds Availability

	Current Business Day	Next Business Day	Second Business Day	Three or More Business Days
Check value is \$2,500 or less				
<u>Business</u> check drawn on your bank (On-us)	62.9%	36.4%	0.8%	0%
<u>Personal</u> check drawn on your bank (On-us)	64.0%	35.5%	0.6%	0%
<u>Payroll</u> check <u>not</u> drawn on your bank (Local)	32.1%	49.6%	16.5%	1.8%
<u>Business</u> check <u>not</u> drawn on your bank (Local)	27.8%	48.0%	21.0%	3.2%
<u>Personal</u> check <u>not</u> drawn on your bank (Local)	26.6%	47.0%	21.2%	5.2%
<u>Government</u> check	50.4%	48.0%	0.6%	1.0%
<u>Double endorsed</u> check from a third-party	23.7%	35.2%	8.4%	32.6%

QVIII.A. Figure 2. How soon are funds available for a business check drawn on your bank?

		Frequency	Weighted Frequency	Weighted Percent
Valid	Current day	392	4560	62.9
	Next day	273	2637	36.4
	Second day	4	55	.8
	Total	669	7252	100.0
Missing	System	16	188	
Total		685	7440	

There are differences among regions in terms of how soon funds are available for on-us business checks. Banks in the New England region make funds available sooner (85.2 percent available same day) than banks in the Mid-Atlantic (46.4 percent same day) and Mountain (47.5 percent same day) regions.

QVIII.A. Figure 3. Region

		How soon are funds available for a business check drawn on your bank?								
		New England	Mid-Atlantic	South Atlantic	East South Central	West South Central	East North Central	West North Central	Mountain	Pacific
Current day	Count	380	249	525	359	595	894	1008	220	329
	%	85.2%	46.4%	61.1%	54.8%	51.1%	69.4%	72.2%	47.5%	74.0%
Next day	Count	66	274	307	296	568	380	388	243	115
	%	14.8%	51.1%	35.7%	45.2%	48.9%	29.5%	27.8%	52.5%	26.0%
Second day	Count		14	27			14			
	%		2.6%	3.2%			1.1%			
Total	Count	446	536	860	655	1163	1288	1396	463	444
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

There is a difference between tiers in terms of how soon funds are made available for a business check cashed on the bank. Tier 3 banks make funds available more quickly (64.6 percent with same day availability) than banks in Tier 2 (42.3 percent with same day availability) or Tier 1 (41.7 percent with same day availability).

QVIII.A. Figure 4. Tier

New Tier		How soon are funds available for a business check drawn on your bank?		
		Tier 1	Tier 2	Tier 3
Current day	Count	10	229	4320
	%	41.7%	42.3%	64.6%
Next day	Count	15	312	2311
	%	58.3%	57.7%	34.6%
Second day	Count			55
	%			.8%
Total	Count	25	541	6686
	%	100.0%	100.0%	100.0%

There is no difference between urban and rural banks in how soon funds are available for a business check cashed on the bank.

QVIII.A. Figure 4. How soon are funds available for a personal check drawn on your bank?

		Frequency	Weighted Frequency	Weighted Percent
Valid	Current day	401	4642	64.0
	Next day	266	2572	35.5
	Second day	3	41	.6
	Total	670	7255	100.0
Missing	System	15	185	
Total		685	7440	

There are differences among regions in funds availability for on-us personal checks. New England banks make funds availability sooner than banks in West South Central and Mid Atlantic, which is similar to funds availability for on-us business checks. In this case, 85.2 percent of banks in New England offer same day funds availability for on-us personal checks, compared with 48.0 percent of Mid Atlantic and 48.3 percent of Mountain banks.

QVIII. Figure 5. Region

		How soon are funds available for a personal check drawn on your bank?								
		New England	Mid Atlantic	South Atlantic	East South Central	West South Central	East North Central	West North Central	Mountain	Pacific
Current day	Count	380	266	512	376	609	912	1036	223	329
	%	85.2%	48.0%	60.5%	57.4%	52.3%	70.8%	74.2%	48.3%	74.0%
Next day	Count	66	274	320	279	555	363	360	239	115
	%	14.8%	49.5%	37.9%	42.6%	47.7%	28.2%	25.8%	51.7%	26.0%
Second day	Count		14	14			14			
	%		2.5%	1.6%			1.1%			
Total	Count	446	553	846	655	1163	1288	1396	463	444
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

There is a difference between tiers in funds availability of on-us personal checks. Funds are made available sooner by Tier 3 banks (65.6 percent same day) than for either Tier 1 (41.7 percent same day) or Tier 2 (44.6 percent same day), which mirrors on-us business checks.

QVIII. Figure 6. Tier

New Tier		How soon are funds available for a personal check drawn on your bank?		
		Tier 1	Tier 2	Tier 3
Current day	Count	10	243	4389
	%	41.7%	44.6%	65.6%
Next day	Count	15	302	2256
	%	58.3%	55.4%	33.7%
Second day	Count			41
	%			.6%
Total	Count	25	544	6686
	%	100.0%	100.0%	100.0%

There is not a difference between urban and rural banks for funds availability of on-us personal checks.

QVIII. Figure 7. How soon are funds available for a payroll check not drawn on your bank?

		Frequency	Weighted Frequency	Weighted Percent
Valid	Current day	194	2323	32.1
	Next day	345	3594	49.6
	Second day	119	1194	16.5
	Three or more days	11	130	1.8
	Total	669	7241	100.0
Missing	System	16	198	
Total		685	7440	

There are differences among regions in funds availability for local payroll checks. Banks in West North Central (41.4 percent same day) and East North Central (40.9 percent same day) regions make funds available more quickly for local payroll checks than banks in the Mid-Atlantic region (18.7 percent same day).

QVIII.A. Figure 8. Region

		How soon are funds available for a payroll check not drawn on your bank?								
		New England	Mid-Atlantic	South Atlantic	East South Central	West South Central	East North Central	West North Central	Mountain	Pacific
Current day	Count	137	106	202	236	314	521	578	130	100
	%	30.7%	18.7%	23.5%	36.8%	27.0%	40.9%	41.4%	28.1%	23.1%
Next day	Count	261	246	434	286	715	480	682	270	219
	%	58.6%	43.5%	50.5%	44.6%	61.5%	37.6%	48.8%	58.4%	50.9%
Second day	Count	48	201	210	120	120	243	109	63	81
	%	10.8%	35.4%	24.4%	18.7%	10.3%	19.1%	7.8%	13.5%	18.8%
Three or more days	Count		14	14		14	31	27		31
	%		2.4%	1.6%		1.2%	2.4%	2.0%		7.2%
Total	Count	446	567	860	642	1163	1274	1396	463	431
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

There are differences among tiers in funds availability for local payroll checks. Funds are made available sooner by Tier 3 banks (33.2 percent same day) than by Tier 2 banks (19.7 percent same day).

QVIII.A. Figure 9. Tier

New Tier		How soon are funds available for a payroll check not drawn on your bank?		
		Tier 1	Tier 2	Tier 3
Current day	Count	1	108	2215
	%	4.2%	19.7%	33.2%
Next day	Count	18	309	3268
	%	70.8%	56.7%	49.0%
Second day	Count	6	121	1066
	%	25.0%	22.3%	16.0%
Three or more days	Count		7	123
	%		1.3%	1.8%
Total	Count	25	544	6672
	%	100.0%	100.0%	100.0%

There is no difference between urban and rural banks in funds availability for local payroll checks.

QVIII.A. Figure 10. How soon are funds available for a local business check not drawn on your bank?

		Frequency	Weighted Frequency	Weighted Percent
Valid	Current day	168	2009	27.8
	Next day	335	3478	48.0
	Second day	146	1522	21.0
	Three or more days	19	229	3.2
	Total	668	7238	100.0
Missing	System	17	202	
Total		685	7440	

There are differences among regions for funds availability for local business checks not drawn on the bank. West North Central banks (40.4 percent same day) make funds available sooner than New England (15.3 percent same day) and Mid-Atlantic (11.1 percent same day) banks.

QVIII.A. Figure 11. Region

		How soon are funds available for a business check not drawn on your bank?								
		New England	Mid Atlantic	South Atlantic	East South Central	West South Central	East North Central	West North Central	Mountain	Pacific
Current day	Count	68	62	147	209	287	456	564	116	100
	%	15.3%	11.1%	17.1%	31.2%	24.8%	35.8%	40.4%	25.9%	23.1%
Next day	Count	254	250	455	272	667	490	641	229	219
	%	57.0%	45.2%	52.9%	40.7%	57.5%	38.5%	45.9%	51.0%	50.9%
Second day	Count	120	228	230	174	151	284	164	90	81
	%	26.9%	41.2%	26.8%	26.1%	13.0%	22.3%	11.8%	20.0%	18.8%
Three or more days	Count	3	14	27	14	55	44	27	14	31
	%	.8%	2.5%	3.2%	2.0%	4.7%	3.5%	2.0%	3.0%	7.2%
Total	Count	446	553	860	669	1160	1274	1396	449	431
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

There are minimal differences between tiers in funds availability of local business checks not drawn on the bank.

There is little difference between urban and rural banks in funds availability of local business checks that were not drawn on the bank.

QVIII.A. Figure 12. How soon are funds available for a personal check not drawn on your bank?

		Frequency	Weighted Frequency	Weighted Percent
Valid	Current day	161	1913	26.6
	Next day	326	3383	47.0
	Second day	147	1528	21.2
	Three or more days	31	373	5.2
	Total	665	7197	100.0
Missing	System	20	243	
Total		685	7440	

There are differences among regions in funds availability for local personal checks that are not drawn on the bank. West North Central banks (40.4 percent same day) make funds available sooner than New England (15.3 percent same day) and Mid Atlantic (11.1 percent same day) banks.

QVIII.A. Figure 13. Region

		How soon are funds available for a personal check not drawn on your bank?								
		New England	Mid-Atlantic	South Atlantic	East South Central	West South Central	East North Central	West North Central	Mountain	Pacific
Current day	Count	68	62	147	209	273	388	564	103	100
	%	15.3%	11.1%	17.4%	31.2%	23.6%	30.7%	40.4%	22.9%	23.9%
Next day	Count	213	251	424	259	661	476	641	243	216
	%	47.8%	45.3%	50.1%	38.6%	56.9%	37.8%	45.9%	54.1%	51.8%
Second day	Count	147	224	244	147	171	284	137	104	71
	%	33.0%	40.4%	28.9%	22.0%	14.8%	22.5%	9.8%	23.1%	16.9%
Three or more days	Count	17	17	31	55	55	113	55		31
	%	3.8%	3.1%	3.6%	8.2%	4.7%	9.0%	3.9%		7.4%
Total	Count	446	553	846	669	1160	1261	1396	449	417
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

There is little difference between tiers in funds availability for local personal checks not drawn on the bank.

There is little difference between urban and rural banks in funds availability for local personal checks not drawn on the bank.

QVIII.A. Figure 14. How soon are funds available for a government check?

		Frequency	Weighted Frequency	Weighted Percent
Valid	Current day	305	3640	50.4
	Next day	351	3465	48.0
	Second day	4	44	.6
	Three or more days	7	75	1.0
	Total	667	7224	100.0
Missing	System	18	215	
Total		685	7440	

A greater percentage of West North Central (65.1 percent same day) and New England (57.2 percent same day) banks provide faster funds availability for government checks than Mid-Atlantic banks (27.2 percent same day).

QVIII.A. Figure 15. Region

		How soon are funds available for a government check?								
		New England	Mid-Atlantic	South Atlantic	East South Central	West South Central	East North Central	West North Central	Mountain	Pacific
Current day	Count	253	151	320	315	605	719	909	169	199
	%	57.2%	27.2%	39.1%	47.1%	52.0%	56.4%	65.1%	36.5%	44.7%
Next day	Count	189	403	471	354	555	511	487	267	228
	%	42.8%	72.8%	57.5%	52.9%	47.7%	40.1%	34.9%	57.6%	51.4%
Second day	Count			27			3		14	
	%			3.3%			.3%		3.0%	
Three or more days	Count					3	41		14	17
	%					.3%	3.2%		3.0%	3.9%
Total	Count	442	553	819	669	1163	1274	1396	463	444
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

There are differences among tiers in funds availability for government checks. Government check funds are made available sooner by Tier 3 banks (52.2 percent same day) than by both Tier 1 (16.7 percent same day) and Tier 2 banks (30.1 percent same day).

QVIII.A. Figure 16. Tier

New Tier		How soon are funds available for a government check?		
		Tier 1	Tier 2	Tier 3
Current day	Count	4	163	3473
	%	16.7%	30.1%	52.2%
Next day	Count	21	368	3076
	%	83.3%	67.9%	46.2%
Second day	Count		3	41
	%		.6%	.6%
Three or more days	Count		7	68
	%		1.3%	1.0%
Total	Count	25	541	6658
	%	100.0%	100.0%	100.0%

There is no difference between urban and rural banks in funds availability for government checks.

Over half (58.9 percent) of banks make funds available for double endorsed checks by the next day, with 23.7 percent providing current day availability and 35.2 percent providing next day availability.

QVIII.A. Figure 17. How soon are funds available for a double endorsed check?

		Frequency	Weighted Frequency	Weighted Percent
Valid	Current day	127	1560	23.7
	Next day	219	2317	35.2
	Second day	54	552	8.4
	Three or more days	193	2145	32.6
	Total	593	6574	100.0
Missing	System	92	866	
Total		685	7440	

There are differences among regions in funds availability for double endorsed checks. West North Central banks (39.4 percent same day) offer faster availability than Mid-Atlantic banks (6.6 percent same day).

QVIII.A. Figure 18. Region

		How soon are funds available for a double endorsed check?								
		New England	Mid-Atlantic	South Atlantic	East South Central	West South Central	East North Central	West North Central	Mountain	Pacific
Current day	Count	68	31	120	174	232	261	523	82	69
	%	17.6%	6.6%	16.6%	28.8%	21.7%	22.9%	39.4%	17.7%	17.4%
Next day	Count	69	166	296	174	455	320	425	232	178
	%	17.9%	35.6%	41.1%	28.8%	42.5%	28.1%	32.0%	50.2%	45.1%
Second day	Count	113	59	38	21	65	96	99	27	34
	%	29.1%	12.7%	5.2%	3.4%	6.1%	8.4%	7.5%	5.9%	8.7%
Three or more days	Count	137	210	267	237	318	461	280	121	114
	%	35.3%	45.1%	37.0%	39.1%	29.7%	40.5%	21.1%	26.1%	28.9%
Total	Count	388	465	721	606	1071	1138	1328	463	395
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

There is little difference between tiers in funds availability for double endorsed checks.

There is little difference between urban and rural banks in funds availability for double endorsed checks.

Advance Loans

Few (5.5 percent) banks provide an advance on funds that are due to arrive. Advances are more often available on direct deposits than on checks.

Question VIII B. Can a customer get an “advance loan” on the funds from a deposited check or a regularly scheduled direct deposit (excluding all programs to cover overdrafts and NSF transactions)?

- Yes, accelerated availability of deposited check
- Yes, advance for a scheduled direct deposit
- No

QVIII.B. Figure 1. Can a customer get an advance loan on the funds from a deposited check or direct deposit?

		Frequency	Weighted Frequency	Weighted Percent
Valid	No	626	6786	94.5
	Yes, accelerated availability of check	18	172	2.4
	Yes, advanced direct deposit	20	225	3.1
	Total	664	7183	100.0
Missing	System	21	257	
Total		685	7440	

There is little difference between regions in the offering of advance loans on funds due to arrive.

A greater percentage of Tier 1 banks (16.7 percent) offer advance loans on funds due to arrive than Tier 2 (4.4 percent) and Tier 3 (5.6 percent) banks.

QVIII.B. Figure 2. Tier

New Tier		Can a customer get an advance loan on the funds from a deposited check or direct deposit?		
		Tier 1	Tier 2	Tier 3
No	Count	21	517	6248
	%	83.3%	95.5%	94.4%
Yes, accelerated availability of check	Count	1	21	150
	%	4.2%	3.8%	2.3%
Yes, advanced direct deposit	Count	3	3	219
	%	12.5%	.6%	3.3%
Total	Count	25	541	6617
	%	100.0%	100.0%	100.0%

There is no difference between urban and rural banks in the proportion of banks offering advance loans on funds due to arrive.

Question VIII B-1. Up to what dollar or percentage amount will the bank typically advance? \$___ or ___%

Question VIII B-2. What fee is charged for the advance? \$___ flat advance fee or %___ of the amount advanced.

Customers can get an advance of up to \$5,000.00 or 100 percent of funds that are due to arrive and are charged \$0.00 to \$40.00 or 0.0 percent to 18.0 percent in fees.

QVIII B-2. Figure 1. Statistics

Weighted		Advance \$	Advance %	Fee \$	Fee %
N	Valid	91	219	247	75
	Missing	307	179	150	323
Mean		\$547.24	89.83	\$13.87	9.36
Median		\$500.00	100.00	\$10.00	10.00
Mode		\$500.00	100.00	\$0.00	.00
Minimum		\$0.00	50.00	\$0.00	.00
Maximum		\$5,000.00	100.00	\$40.00	18.00

There is little difference between tiers in advance loan amounts and fees.

There are differences among regions for advance loan amounts, but there are too few responses to develop any conclusions.

There is little difference between urban and rural banks for advance loan amounts and fees.

Question VIII B-3. What types of checks/deposits qualify for advances?

- All checks
 Business checks, but not personal checks
 Government checks
 Payroll checks only
 Regularly scheduled direct deposits
 Other: ____

Based on the survey responses, fewer than half (40.7 percent) of the banks that offer advance loans on funds from a deposited check or a regularly scheduled deposit will provide an advance for all types of checks. Nearly one-third (30.8 percent) of such banks will provide an advance for a government check. About 8 percent (7.7 percent) will make an advance loan for payroll checks. However, nearly half (49.2 percent) will offer an advance loan on a regularly scheduled direct deposit.

QVIII B-3. Figure 1. All Checks

	Frequency	Weighted Frequency	Weighted Percent
Valid No	22	220	59.3
Yes	14	151	40.7
Total	36	370	100.0
Missing System	2	27	
Total	38	398	

QVIII B-3. Figure 4. Payroll Checks Only

	Frequency	Weighted Frequency	Weighted Percent
Valid No	33	342	92.3
Yes	3	28	7.7
Total	36	370	100.0
Missing System	2	27	
Total	38	398	

QVIII B-3. Figure 2. Business Checks, but Not Personal Checks

	Frequency	Weighted Frequency	Weighted Percent
Valid No	35	369	99.7
Yes	1	1	.3
Total	36	370	100.0
Missing System	2	27	
Total	38	398	

QVIII B-3. Figure 5. Regularly Scheduled Direct Deposits

	Frequency	Weighted Frequency	Weighted Percent
Valid No	21	188	50.8
Yes	15	182	49.2
Total	36	370	100.0
Missing System	2	27	
Total	38	398	

QVIII B-3. Figure 3. Government Checks

	Frequency	Weighted Frequency	Weighted Percent
Valid No	26	256	69.2
Yes	10	114	30.8
Total	36	370	100.0
Missing System	2	27	
Total	38	398	

QVIII B-3. Figure 6. Other

	Frequency	Weighted Frequency	Weighted Percent
Valid No	34	356	96.0
Yes	2	15	4.0
Total	36	370	100.0
Missing System	2	27	
Total	38	398	

Banks that indicate “other” state the following:

- ACH deposits qualify for advances (\$500 or 50 percent of monthly ACH payments can be accessed, whichever is less).
- Deposit accounts must be in good standing to qualify for an advance loan.
- “We are a ‘Pay All Bank’ that will also permit ATM and debit card ODs for satisfactory accounts opened over 60 days.”

There are minimal differences among regions or tiers for types of checks that qualify for advance loans.

There is little difference between urban and rural banks in the types of checks that qualify for advance loans.

Credit Products

This chapter examines the following topics:

- Closed-End Unsecured Loans
- Small Dollar Loans
- Tax Refund Anticipation Loans
- Consumer Credit Cards

These questions address aspects of the Congressional Question 4: transaction costs and policies for credit accounts for the un/underbanked.

Summary

The most commonly offered credit product is an unsecured closed-end personal loan of up to \$5,000. Other credit products are offered by fewer than half of the banks. The majority (an estimated 69 percent) of banks offer closed-end personal loans, 36 percent offer consumer credit cards, and 11 percent offer tax refund anticipation loans. When assessing eligibility for a closed-end personal loan, 94 percent of banks require a review of an individual's credit history, 76 percent of banks look at proof of income, and 50 percent have a minimum credit score requirement. The median minimum loan size for an unsecured closed-end loan is \$1,000, and the median maximum term is 36 months. Eighty percent of banks are able to originate these loans in less than 24 hours.

To qualify for a credit card, an estimated 78 percent of banks require a social security number, 77 percent require a review of an individual's credit history, 52 percent set a minimum credit score requirement, and 48 percent require a proof of income. Of the banks that offer credit cards, 42 percent indicate that having a deposit relationship with the bank improves an individual's ability to obtain a credit card, typically through a review of a the individual's account history to asses their ability to repay. Of the banks that offer credit cards, one-fourth offer secured cards, and of these, 96 percent allow customers to graduate from the secured card to a traditional card once customers establish an acceptable credit history after 12 to 24 months.

Closed-End Unsecured Loans

Question IX A. Does the bank typically offer unsecured closed-end personal loans up to \$5,000? Yes No

Over two-thirds (69.3 percent) of banks offer closed-end unsecured personal loans for amounts up to \$5,000.00. Fewer than half of the banks offer small dollar loans of less than \$1,000.00 with at least a 90-day repayment term and low fees (43.5 percent) or credit cards (35.7 percent). One in ten banks offer tax refund anticipation loans (10.6 percent).

QIXA. Figure 1. Percent of Banks Offering Credit Cards and Loans

Type of Loan	Percent of Banks Offering
Closed-end Unsecured Loans	69.3%
Small Dollar Loans	43.5%
Consumer Credit Cards	35.7%
Secured Credit Cards (if offer credit cards)	25.3%
Tax Refund Anticipation Loans	10.6%

QIXA. Figure 2. Does the bank offer unsecured loans up to \$5000?

		Frequency	Weighted Frequency	Weighted Percent
Valid	No	196	2256	30.7
	Yes	478	5094	69.3
	Total	674	7351	100.0
Missing	System	11	89	
Total		685	7440	

There are differences among regions for banks that offer unsecured consumer loans of up to \$5,000. The Pacific and Mountain regions (53.2 percent and 56.9 percent, respectively) have lower shares of banks that make these unsecured loans than banks in other regions, specifically East South Central and New England (83.1 percent and 87.7 percent, respectively).

QIXA. Figure 3. Region

		Does the bank offer unsecured loans up to \$5000?								
		New England	Mid-Atlantic	South Atlantic	East South Central	West South Central	East North Central	West North Central	Mountain	Pacific
No	Count	55	206	265	113	308	376	503	215	216
	%	12.3%	35.5%	30.9%	16.9%	27.1%	28.8%	36.0%	43.1%	46.8%
Yes	Count	391	374	591	556	828	929	894	285	246
	%	87.7%	64.5%	69.1%	83.1%	72.9%	71.2%	64.0%	56.9%	53.2%
Total	Count	446	581	856	669	1136	1305	1396	500	461
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

A higher percentage of Tier 1 banks (91.7 percent) offer unsecured loans of up to \$5,000 than Tier 3 (68.8 percent) banks. A greater percentage of Tier 2 banks (74.5 percent) offer unsecured loans than Tier 3 banks.

QIXA. Figure 4. Tier

New Tier		Does the bank offer unsecured loans up to \$5000		
		Tier 1	Tier 2	Tier 3
No	Count	2	135	2119
	%	8.3%	25.5%	31.2%
Yes	Count	23	395	4676
	%	91.7%	74.5%	68.8%
Total	Count	25	531	6795
	%	100.0%	100.0%	100.0%

There is a difference between urban and rural banks that offer unsecured loans of up to \$5,000.00. A smaller percentage of urban banks (64.2 percent) offer these loans than rural banks (73.8 percent).

QIXA. Figure 5. Urban/Rural

		Does the bank offer unsecured loans up to \$5000?	
		Rural HQ	Urban HQ
No	Count	1032	1224
	%	26.2%	35.8%
Yes	Count	2903	2191
	%	73.8%	64.2%
Total	Count	3935	3415
	%	100.0%	100.0%

Question IX A-1. If yes, what are the eligibility requirements?

- | | |
|---|---|
| <input type="checkbox"/> Deposit relationship with the bank | <input type="checkbox"/> Direct deposit |
| <input type="checkbox"/> Proof of income | <input type="checkbox"/> Minimum credit score |
| <input type="checkbox"/> Review credit history | <input type="checkbox"/> Other |

Nearly all (93.6 percent) banks require a review of an individual’s credit history when determining eligibility for an unsecured loan. Proof of income is required by 75.7 percent of banks. An unspecified minimum credit score requirement is set by 50.0 percent of banks, 40.5 percent require a deposit relationship, but only 3.4 percent require direct deposit.

QIXA-1. Figure 1. Eligibility Requirements for Obtaining an Unsecured Closed-End Personal Loan

Eligibility Requirements	Percentage of Banks Requiring
Review Credit History	93.6%
Proof of Income	75.7%
Minimum Credit Score	50.0%
Deposit Relationship	40.5%
Other	16.3%
Direct Deposit	3.4%

QIXA-1. Figure 2. Review of Credit History

	Frequency	Weighted Frequency	Weighted Percent
Valid No	28	322	6.4
Yes	447	4731	93.6
Total	475	5053	100.0
Missing System	3	41	
Total	478	5094	

QIXA-1. Figure 4. Minimum Credit Score

	Frequency	Weighted Frequency	Weighted Percent
Valid No	220	2529	50.0
Yes	255	2524	50.0
Total	475	5053	100.0
Missing System	3	41	
Total	478	5094	

QIXA-1. Figure 3. Proof of Income

	Frequency	Weighted Frequency	Weighted Percent
Valid No	123	1226	24.3
Yes	352	3827	75.7
Total	475	5053	100.0
Missing System	3	41	
Total	478	5094	

QIXA-1. Figure 5. Deposit Relationship

	Frequency	Weighted Frequency	Weighted Percent
Valid No	305	3007	59.5
Yes	170	2046	40.5
Total	475	5053	100.0
Missing System	3	41	
Total	478	5094	

QIXA-1. Figure 6. Direct Deposit

	Frequency	Weighted Frequency	Weighted Percent
Valid No	460	4868	96.6
Yes	14	171	3.4
Total	474	5039	100.0
Missing System	4	55	
Total	478	5094	

QIXA-1. Figure 7. Other

	Frequency	Weighted Frequency	Weighted Percent
Valid No	385	4205	83.7
Yes	88	821	16.3
Total	473	5026	100.0
Missing System	5	68	
Total	478	5094	

For closed-end personal loans of up to \$5,000.00, other eligibility requirements reported by respondents include: sufficient debt-to-income ratio (22), source of income and ability to repay (19), and a previous relationship with the bank (10).

There are differences among regions for banks that require a deposit relationship and proof of income to obtain an unsecured personal loan. Smaller percentages of New England (21.0 percent), Mid-Atlantic (21.0 percent), and Pacific (26.6 percent) banks require a deposit relationship than banks in the West North Central (54.4 percent) and West South Central (54.6 percent) regions.

QIXA-1. Figure 8. Region

		Deposit Relationship								
		New England	Mid-Atlantic	South Atlantic	East South Central	West South Central	East North Central	West North Central	Mountain	Pacific
No	Count	309	296	393	344	370	583	407	134	170
	%	79.0%	79.0%	66.5%	63.4%	45.4%	62.8%	45.6%	47.2%	73.4%
Yes	Count	82	79	198	198	445	345	486	150	62
	%	21.0%	21.0%	33.5%	36.6%	54.6%	37.2%	54.4%	52.8%	26.6%
Total	Count	391	374	591	543	815	929	894	285	232
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

A smaller percentage of East South Central (62.6 percent) and West South Central (66.0 percent) banks require proof of income than Mid-Atlantic (89.6 percent), New England (98.8 percent), and Mountain (98.8 percent) banks.

QIXA-1. Figure 9. Region

		Proof of Income								
		New England	Mid-Atlantic	South Atlantic	East South Central	West South Central	East North Central	West North Central	Mountain	Pacific
No	Count	5	39	79	203	277	280	280	3	59
	%	1.2%	10.4%	13.3%	37.4%	34.0%	30.2%	31.4%	1.2%	25.6%
Yes	Count	386	336	513	340	537	648	613	281	172
	%	98.8%	89.6%	86.7%	62.6%	66.0%	69.8%	68.6%	98.8%	74.4%
Total	Count	391	374	591	543	815	929	894	285	232
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

There are differences between tiers for banks that require a deposit relationship, set a minimum credit score, and have other requirements to obtain an unsecured personal loan. Banks in Tier 1 (4.5 percent) are less likely to require a deposit relationship than banks in Tier 2 (22.8 percent) and Tier 3 (42.2 percent).

QIXA-1. Figure 10. Tier

		Deposit Relationship		
		Tier 1	Tier 2	Tier 3
No	Count	22	305	2680
	%	95.5%	77.2%	57.8%
Yes	Count	1	90	1955
	%	4.5%	22.8%	42.2%
Total	Count	23	395	4635
	%	100.0%	100.0%	100.0%

Tier 1 (81.8 percent) banks have minimum credit score requirements more often than Tier 2 (63.2 percent) and Tier 3 (48.7 percent) banks.

QIXA-1. Figure 11. Tier

		Minimum Credit Score		
		Tier 1	Tier 2	Tier 3
No	Count	4	146	2379
	%	18.2%	36.8%	51.3%
Yes	Count	19	250	2256
	%	81.8%	63.2%	48.7%
Total	Count	23	395	4635
	%	100.0%	100.0%	100.0%

QIXA-1. Figure 12. Tier

		Other		
		Tier 1	Tier 2	Tier 3
No	Count	17	291	3897
	%	72.7%	73.7%	84.6%
Yes	Count	6	104	711
	%	27.3%	26.3%	15.4%
Total	Count	23	395	4607
	%	100.0%	100.0%	100.0%

There are differences between urban and rural banks for having a deposit relationship requirement and proof of income requirement. A larger percentage of rural banks (43.1 percent) require a deposit relationship than urban banks (37.0 percent). However, a smaller share of rural banks (68.9 percent) requires proof of income, than urban banks (85.0 percent).

QIXA-1. Figure 13. Urban/Rural

		Rural HQ			Urban HQ		
		Deposit Relationship	Direct Deposit	Proof of Income	Deposit Relationship	Direct Deposit	Proof of Income
No	Count	1652	2794	903	1355	2075	323
	%	56.9%	96.2%	31.1%	63.0%	97.1%	15.0%
Yes	Count	1251	109	2000	795	62	1827
	%	43.1%	3.8%	68.9%	37.0%	2.9%	85.0%
Total	Count	2903	2903	2903	2150	2136	2150
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

QIXA-1. Figure 14. Urban/Rural

		Rural HQ			Urban HQ		
		Minimum Credit Score	Review of Credit History	Other	Minimum Credit Score	Review of Credit History	Other
No	Count	1508	232	2356	1021	89	1849
	%	51.9%	8.0%	81.9%	47.5%	4.1%	86.0%
Yes	Count	1395	2671	520	1129	2061	301
	%	48.1%	92.0%	18.1%	52.5%	95.9%	14.0%
Total	Count	2903	2903	2876	2150	2150	2150
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Question IX A-2. If yes, please indicate the following:

Minimum Loan Size	Maximum Loan Size	Origination Fee	Acct. Maintenance Fee	Minimum APR	Maximum APR	Typical APR	Maximum Term (Mos)

The average maximum size of close-end personal loans is \$13,876. The median loan maximum size is \$5,000, and the median loan minimum size is \$1,000. Although the question asked for loans up to \$5,000, some banks reported loans greater than \$5,000. Most banks do not charge an account maintenance fee. The median maximum term is 36 months. With regard to annual percentage rate (APR), banks report their rates either as percentages or as “prime plus” a percentage.

QIXA-2. Figure 1. Statistics: Weighted

Weighted		Minimum Loan Size	Maximum Loan Size	Account Maintenance Fee	Maximum Term (in months)
N	Valid	4003	3094	2788	4272
	Missing	1091	2000	2306	822
Mean		\$1,043.75	\$13,876.07	\$1.83	34.90
Median		\$1,000.00	\$5,000.00	\$0.00	36.00
Mode		\$1,000.00	\$5,000.00	\$0.00	36
Minimum		\$0.00	\$0.00	\$0.00	0
Maximum		\$10,000.00	\$2,500,000.00	\$100.00	120

There is a difference between tiers for minimum sizes and maximum term unsecured personal loans. The maximum term is longer for larger banks in Tier 1 (median of 60 months) than for banks in Tier 3 (median of 36 months). Larger banks also require a larger minimum loan size (median of \$2,000) than Tier 3 banks (median of \$1,000).

QIXA-2. Figure 2. Tier 1

		Minimum Loan Size	Maximum Loan Size	Account Maintenance Fee	Maximum Term (in months)
N	Valid	23	21	16	22
	Missing	0	2	7	1
Mean		\$1,943.18	\$41,125.00	\$0.00	54.38
Median		\$2,000.00	\$25,000.00	\$0.00	60.00
Mode		\$2,000.00	\$25,000.00	\$0.00	60
Minimum		\$250.00	\$0.00	\$0.00	26
Maximum		\$5,000.00	\$200,000.00	\$0.00	84

QIXA-2. Figure 3.**Tier 2**

		Minimum Loan Size	Maximum Loan Size	Account Maintenance Fee	Maximum Term (in months)
N	Valid	343	243	257	354
	Missing	52	153	139	42
Mean		\$1,555.56	\$58,478.57	\$1.63	40.75
Median		\$1,500.00	\$10,000.00	\$0.00	36.00
Mode		\$1,000.00	\$5,000.00	\$0.00	36
Minimum		\$0.00	\$0.00	\$0.00	0
Maximum		\$5,000.00	\$2,500,000.00	\$75.00	120

QIXA-2. Figure 4. Tier 3

		Minimum Loan Size	Maximum Loan Size	Account Maintenance Fee	Maximum Term (in months)
N	Valid	3637	2830	2516	3897
	Missing	1039	1846	2160	779
Mean		\$989.76	\$9,849.51	\$1.86	34.26
Median		\$1,000.00	\$5,000.00	\$0.00	36.00
Mode		\$1,000.00	\$5,000.00	\$0.00	36
Minimum		\$0.00	\$0.00	\$0.00	0
Maximum		\$10,000.00	\$250,000.00	\$100.00	120

There are differences among regions for minimum loan sizes and maximum term limits of unsecured personal loans. The Mid-Atlantic region has a maximum term of 60 months, which is longer than the term for other regions. Minimum loan sizes in the West North Central, East South Central, Mountain, and Pacific regions have a median of \$500 which is less than the other regions (\$1,000 median).

QIXA-2. Figure 5. New England

		Minimum Loan Size	Maximum Loan Size	Account Maintenance Fee	Maximum Term (in months)
N	Valid	364	374	244	364
	Missing	27	17	147	27
Mean		\$1,012.68	\$6,426.86	\$0.00	37.37
Median		\$1,000.00	\$5,000.00	\$0.00	36.00
Mode		\$1,000.00	\$5,000.00	\$0.00	36
Minimum		\$0.00	\$0.00	\$0.00	0
Maximum		\$2,500.00	\$25,000.00	\$0.00	60

QIXA-2. Figure 6. Mid-Atlantic

		Minimum Loan Size	Maximum Loan Size	Account Maintenance Fee	Maximum Term (in months)
N	Valid	326	319	265	370
	Missing	48	55	110	5
Mean		\$1,518.31	\$21,374.65	\$0.00	49.33
Median		\$1,000.00	\$5,000.00	\$0.00	60.00
Mode		\$1,000.00	\$5,000.00	\$0.00	60
Minimum		\$0.00	\$0.00	\$0.00	24
Maximum		\$5,000.00	\$250,000.00	\$0.00	72

QIXA-2. Figure 7. South Atlantic

		Minimum Loan Size	Maximum Loan Size	Account Maintenance Fee	Maximum Term (in months)
N	Valid	516	303	321	523
	Missing	75	288	270	68
Mean		\$1,520.31	\$11,942.42	\$4.34	35.08
Median		\$1,000.00	\$5,000.00	\$0.00	36.00
Mode		\$1,000.00	\$5,000.00	\$0.00	36
Minimum		\$0.00	\$0.00	\$0.00	12
Maximum		\$10,000.00	\$50,000.00	\$75.00	60

QIXA-2. Figure 8. East South Central

		Minimum Loan Size	Maximum Loan Size	Account Maintenance Fee	Maximum Term (in months)
N	Valid	420	283	300	433
	Missing	137	274	257	123
Mean		\$1,105.05	\$13,203.09	\$4.56	33.55
Median		\$1,000.00	\$5,000.00	\$0.00	36.00
Mode		\$500.00	\$5,000.00	\$0.00	36
Minimum		\$0.00	\$0.00	\$0.00	3
Maximum		\$3,500.00	\$100,000.00	\$75.00	72

a Multiple modes exist. The smallest value is shown

QIXA-2. Figure 9. West South Central

		Minimum Loan Size	Maximum Loan Size	Account Maintenance Fee	Maximum Term (in months)
N	Valid	633	441	612	712
	Missing	195	387	216	117
Mean		\$889.23	\$7,966.15	\$2.68	29.98
Median		\$500.00	\$5,000.00	\$0.00	24.00
Mode		\$1,000.00	\$5,000.00	\$0.00	36
Minimum		\$0.00	\$0.00	\$0.00	3
Maximum		\$5,000.00	\$50,000.00	\$100.00	60

QIXA-2. Figure 10. East North Central

		Minimum Loan Size	Maximum Loan Size	Account Maintenance Fee	Maximum Term (in months)
N	Valid	659	606	448	751
	Missing	270	323	481	178
Mean		\$956.88	\$24,497.29	\$0.35	40.33
Median		\$1,000.00	\$5,000.00	\$0.00	36.00
Mode		\$1,000.00	\$5,000.00	\$0.00	60
Minimum		\$0.00	\$0.00	\$0.00	0
Maximum		\$5,000.00	\$2,500,000.00	\$32.00	120

QIXA-2. Figure 11. West North Central

		Minimum Loan Size	Maximum Loan Size	Account Maintenance Fee	Maximum Term (in months)
N	Valid	658	452	388	702
	Missing	236	441	506	191
Mean		\$678.49	\$6,109.14	\$0.35	26.75
Median		\$500.00	\$5,000.00	\$0.00	24.00
Mode		\$1,000.00	\$5,000.00	\$0.00	12
Minimum		\$0.00	\$0.00	\$0.00	12
Maximum		\$3,500.00	\$100,000.00	\$10.00	60

QIXA-2. Figure 12. Mountain

		Minimum Loan Size	Maximum Loan Size	Account Maintenance Fee	Maximum Term (in months)
N	Valid	244	158	92	244
	Missing	41	127	192	41
Mean		\$1,003.88	\$21,142.55	\$0.00	27.36
Median		\$500.00	\$5,000.00	\$0.00	24.00
Mode		\$500.00	\$5,000.00	\$0.00	36
Minimum		\$0.00	\$0.00	\$0.00	0
Maximum		\$3,000.00	\$100,000.00	\$0.00	60

QIXA-2. Figure 13. Pacific

		Minimum Loan Size	Maximum Loan Size	Account Maintenance Fee	Maximum Term (in months)
N	Valid	184	156	118	174
	Missing	62	89	128	72
Mean		\$987.94	\$11,950.76	\$3.48	42.04
Median		\$500.00	\$10,000.00	\$0.00	36.00
Mode		\$500.00	\$0.00	\$0.00	36
Minimum		\$0.00	\$0.00	\$0.00	15
Maximum		\$3,000.00	\$100,000.00	\$30.00	60

There are differences between rural and urban banks for minimum loan size and maximum term of unsecured closed-end personal loans. The median minimum loan size for rural banks is \$500, compared with \$1,000 for urban banks. The median maximum term for urban and rural banks is 36 months and 24 months, respectively.

QIXA-2. Figure 14. Urban

		Minimum Loan Size	Maximum Loan Size	Account Maintenance Fee	Maximum Term (in months)
N	Valid	1821	1377	1355	1889
	Missing	370	814	836	302
Mean		\$1,274.45	\$19,756.36	\$0.91	39.66
Median		\$1,000.00	\$5,000.00	\$0.00	36.00
Mode		\$1,000.00	\$5,000.00	\$0.00	36
Minimum		\$0.00	\$0.00	\$0.00	0
Maximum		\$10,000.00	\$2,500,000.00	\$75.00	120
Sum		\$2,321,307.90	\$27,207,833.33	\$1,238.21	74900

QIXA-2. Figure 15. Rural

		Minimum Loan Size	Maximum Loan Size	Account Maintenance Fee	Maximum Term (in months)
N	Valid	2182	1717	1433	2383
	Missing	721	1186	1470	520
Mean		\$851.13	\$9,158.34	\$2.70	31.13
Median		\$500.00	\$5,000.00	\$0.00	24.00
Mode		\$500.00	\$5,000.00	\$0.00	36
Minimum		\$0.00	\$0.00	\$0.00	0
Maximum		\$5,000.00	\$100,000.00	\$100.00	72
Sum		\$1,856,819.07	\$15,720,613.20	\$3,869.18	74196

Question IX A-3. How long does it typically take to originate an unsecured closed-end personal loan?

- Less than 30 minutes Less than 24 hours
 Less than 48 hours More than 48 hours

Nearly all (97.2 percent) banks report that they can originate an unsecured personal loan in less than 48 hours, and 80.3 percent of banks are able to originate an unsecured loan in less than 24 hours.

QIXA-3. Figure 1. How long does it take to originate an unsecured loan?

		Frequency	Weighted Frequency	Weighted Percent
Valid	Less than 30 minutes	102	1219	24.4
	Less than 24 hours	260	2793	55.9
	Less than 48 hours	90	849	17.0
	More than 48 hours	19	138	2.8
	Total	471	4998	100.0
Missing	System	7	96	
Total		478	5094	

There are differences among regions for the time needed to originate an unsecured loan. A larger share of banks in the West North Central (36 percent) and West South Central (36.5 percent) regions are able to originate an unsecured loan in less than 30 minutes compared with New England (0 percent in less than 30 minutes) and Pacific (1.5 percent in less than 30 minutes) region banks.

QIXA-3. Figure 2. Region

		How long does it take to originate an unsecured loan?								
		New England	Mid-Atlantic	South Atlantic	East South Central	West South Central	East North Central	West North Central	Mountain	Pacific
Less than 30 minutes	Count		55	145	154	298	212	312	41	3
	%		14.6%	25.0%	28.4%	36.5%	23.1%	36.0%	14.4%	1.5%
Less than 24 hours	Count	250	105	276	343	449	563	510	185	113
	%	63.8%	28.1%	47.7%	63.3%	55.1%	61.6%	58.8%	64.8%	48.8%
Less than 48 hours	Count	138	156	157	46	51	137	44	55	64
	%	35.3%	41.8%	27.2%	8.4%	6.3%	15.0%	5.1%	19.2%	27.6%
More than 48 hours	Count	3	58			17	3		5	51
	%	.9%	15.5%			2.1%	.3%		1.6%	22.2%
Total	Count	391	374	578	543	815	915	866	285	232
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

There is a difference between tiers for the time it takes to originate an unsecured loan; it takes less time for banks in Tier 3 to originate a loan than banks in Tiers 1 and 2.

QIXA-3. Figure 3. Tier

		How long does it take to originate an unsecured loan?		
		Tier 1	Tier 2	Tier 3
Less than 30 minutes	Count	5	38	1176
	%	22.7%	9.6%	25.7%
Less than 24 hours	Count	7	229	2557
	%	31.8%	57.9%	55.8%
Less than 48 hours	Count	6	104	738
	%	27.3%	26.3%	16.1%
More than 48 hours	Count	4	24	109
	%	18.2%	6.1%	2.4%
Total	Count	23	395	4580
	%	100.0%	100.0%	100.0%

There is a difference between urban and rural banks for the amount of time needed to originate an unsecured closed-end personal loan. A larger percentage of urban banks take more time than rural banks.

QIXA-3. Figure 4. Urban/Rural

		How long does it take to originate an unsecured loan?	
		Rural HQ	Urban HQ
Less than 30 minutes	Count	964	255
	%	34.0%	11.8%
Less than 24 hours	Count	1614	1179
	%	56.9%	54.5%
Less than 48 hours	Count	243	606
	%	8.6%	28.0%
More than 48 hours	Count	14	124
	%	.5%	5.7%
Total	Count	2835	2164
	%	100.0%	100.0%

Smaller Dollar Loans

Question IX B. Does the bank offer affordable small dollar loans (i.e., less than \$1,000/at least a 90-day repayment term/less than 36 percent APR/no or low fees)? Yes No

Fewer than half (43.5 percent) of banks offer small-size unsecured personal loans. These banks identify loans including overdraft lines of credit in their descriptions of small dollar loan products, which was not the original intention of the question. Consequently, the percentages of banks that offer affordable small dollar loans that meet the FDIC program guidelines will be lower than the estimated percentages of the survey results.⁷

QIXB. Figure 1. Does the bank offer small dollar loans?

		Frequency	Weighted Frequency	Weighted Percent
Valid	No	396	4011	56.5
	Yes	260	3094	43.5
	Total	656	7105	100.0
Missing	System	29	335	
Total		685	7440	

There is a difference among regions for banks that offer small dollar loans. A greater percentage of West South Central (56.8 percent) and West North Central (56.3 percent) banks offer small dollar loans than other regions, specifically New England (21.5 percent) and Mid-Atlantic (21.8 percent) banks.

QIXB. Figure 2. Region

		Does the bank offer small dollar loans?								
		New England	Mid-Atlantic	South Atlantic	East South Central	West South Central	East North Central	West North Central	Mountain	Pacific
No	Count	350	444	517	354	473	674	585	304	310
	%	78.5%	78.2%	63.5%	54.1%	43.2%	53.2%	43.7%	62.1%	71.9%
Yes	Count	96	123	298	301	622	594	753	186	121
	%	21.5%	21.8%	36.5%	45.9%	56.8%	46.8%	56.3%	37.9%	28.1%
Total	Count	446	567	815	655	1095	1268	1338	490	431
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

⁷ Key features of the FDIC Small Dollar Loan Pilot Program may include: loan amounts up to \$1,000, amortization periods longer than a single pay cycle and up to 36 months for closed-end credit or minimum payments that reduce principle (that do not result in negative amortization) for open-end credit, no prepayment penalties, origination and/or maintenance fees limited to the amount necessary to cover actual costs, and an automatic savings component. (See: <http://www.fdic.gov/small-dollar-loans/index.html>.)

There is a difference between tiers for banks that offer small dollar loans. Banks in Tier 3 (45.1 percent) are more likely to offer small dollar loans than banks in Tiers 1 (20.8 percent) and 2 (25.5 percent).

QIXB. Figure 3. Tier

		Does the bank offer small dollar loans?		
		Tier 1	Tier 2	Tier 3
No	Count	20	395	3596
	%	79.2%	74.5%	54.9%
Yes	Count	5	135	2953
	%	20.8%	25.5%	45.1%
Total	Count	25	531	6549
	%	100.0%	100.0%	100.0%

There is a difference between urban and rural banks for banks that offer small dollar loans. More than half of rural banks (58.6 percent) offer small dollar loans, compared with 26.2 percent of urban banks.

QIXB. Figure 4. Urban/Rural

		Does the bank offer small dollar loans?	
		Rural HQ	Urban HQ
No	Count	1573	2438
	%	41.4%	73.8%
Yes	Count	2229	865
	%	58.6%	26.2%
Total	Count	3802	3302
	%	100.0%	100.0%

Question IX B-1. Please describe any innovative products the bank has developed to provide small dollar loans to customers (for example, applying for a six-month loan at an ATM).

Of the surveyed banks, 260 reported that they offer small dollar loans. Of these banks, 80 described their products. Only some of the products described were new and innovative. Also, the descriptions often included overdraft programs with a line of credit. Among the programs and products that banks described:

- Three banks identified an innovative new product that included the ability to apply for a personal loan online.
- Forty-four banks reported offering loans of under \$1,000. The five most commonly mentioned situations in which banks offer these small dollar loans include: Holiday/Christmas loans, loans for college students, early tax refund loans, credit development loans, and loans to military personnel.
- Thirty banks reported offering some form of credit line as a smaller dollar loan, including 19 banks that reported overdraft lines of credit.

- Two banks described credit development loans. For example, a savings or CD secured loan could help customers establish or re-establish credit history. The customer borrows money and the proceeds are deposited to a savings or CD account.

Tax Refund Anticipation Loans

Question IX C. Does the bank offer tax refund anticipation loans?

Yes No

Only an estimated 10.6 percent of banks offer tax refund anticipation loans.

QIXC. Figure 1. Does the bank offer tax refund anticipation loans?

		Frequency	Weighted Frequency	Weighted Percent
Valid	No	610	6521	89.4
	Yes	59	774	10.6
	Total	669	7295	100.0
Missing	System	16	145	
Total		685	7440	

A greater percentage of banks in the West North Central region (22.8 percent) offer tax refund anticipation loans than banks in any other region, specifically New England, Mid-Atlantic, and Pacific (all 0.0 percent).

QIXC. Figure 2. Region

		Does the bank offer tax refund anticipation loans?								
		New England	Mid-Atlantic	South Atlantic	East South Central	West South Central	East North Central	West North Central	Mountain	Pacific
No	Count	446	581	760	652	1078	1033	1065	459	448
	%	100.0%	100.0%	91.8%	97.4%	92.9%	79.8%	77.2%	93.7%	100.0%
Yes	Count			68	17	82	261	314	31	
	%			8.2%	2.6%	7.1%	20.2%	22.8%	6.3%	
Total	Count	446	581	829	669	1160	1294	1379	490	448
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

A greater percentage of Tier 3 banks (11.4 percent) offer tax refund loans than banks in Tier 2 (1.3 percent).

QIXC. Figure 3. Tier

New Tier		Does the bank offer tax refund anticipation loans?		
		1	2	3
No	Count	23	524	5975
	%	95.7%	98.7%	88.6%
Yes	Count	1	7	766
	%	4.3%	1.3%	11.4%
Total	Count	24	531	6740
	%	100.0%	100.0%	100.0%

There is a difference between rural and urban banks for banks that offer tax refund anticipation loans. A larger percentage (18.7 percent) of rural banks offer these loans, compared with 1.3 percent of urban banks.

QIXC. Figure 4. Urban/Rural

		Does the bank offer tax refund anticipation loans?	
		Rural HQ	Urban HQ
No	Count	3170	3352
	%	81.3%	98.7%
Yes	Count	728	46
	%	18.7%	1.3%
Total	Count	3898	3397
	%	100.0%	100.0%

Question IX C-1. If yes, please indicate the following:

Minimum Loan Size	Maximum Loan Size	Origination Fee	Acct. Maintenance Fee	Minimum APR	Maximum APR	Typical APR	Maximum Term (Mos)

Based on the survey results, the fees for tax refund loans vary from \$0 to \$129 and can be outstanding from one to 60 months.

QIXC-1. Figure 1. Statistics

Weighted		Minimum Size	Maximum Size	Origination fee	Account Maintenance Fee	Maximum Term (in months)
N	Valid	456	346	524	360	605
	Missing	318	427	250	414	169
Mean		\$414.93	\$7,552.30	\$29.73	\$3.13	8.09
Median		\$250.00	\$5,000.00	\$25.00	\$0.00	6.00
Mode		\$500.00	\$5,000.00	\$0.00	\$0.00	6
Minimum		\$0.00	\$1,000.00	\$0.00	\$0.00	1
Maximum		\$2,500.00	\$50,000.00	\$129.00	\$50.00	60

Because only 59 banks in the sample reported offering tax refund loans, it is difficult to draw meaningful inferences to the bank population. However, the sample data suggest that there may be substantial differences among regions and tiers, and between urban and rural locations, for loan fees and restrictions.

Consumer Credit Cards

Question IX D. Does the bank offer consumer credit cards (e.g., Visa, MasterCard)?

Yes No

Over a third (35.7 percent) of banks offer consumer credit cards, either issued by the bank or by a third party.

QIXD. Figure 1. Does the bank offer consumer credit cards?

		Frequency	Weighted Frequency	Weighted Percent
Valid	No	405	4673	64.3
	Yes	262	2597	35.7
	Total	667	7270	100.0
Missing	System	18	170	
Total		685	7440	

A smaller percentage of New England banks (13.3 percent) offer consumer credit cards than banks in the East North Central region (45.8 percent) and the Pacific region (52.2 percent).

QIXD. Figure 2. Region

		Does the bank offer consumer credit cards?								
		New England	Mid-Atlantic	South Atlantic	East South Central	West South Central	East North Central	West North Central	Mountain	Pacific
No	Count	386	409	574	412	811	701	879	280	220
	%	86.7%	72.1%	68.2%	62.8%	70.7%	54.2%	63.6%	59.0%	47.8%
Yes	Count	59	158	268	244	335	593	504	195	241
	%	13.3%	27.9%	31.8%	37.2%	29.3%	45.8%	36.4%	41.0%	52.2%
Total	Count	446	567	842	655	1146	1294	1383	475	461
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

A greater percentage of banks in Tier 1 (86.4 percent) offer consumer credit cards than smaller banks in Tier 2 (47.4 percent) and Tier 3 (34.6 percent).

QIXD. Figure 3. Tier

		Does the bank offer consumer credit cards?		
		Tier 1	Tier 2	Tier 3
No	Count	3	281	4389
	%	13.6%	52.6%	65.4%
Yes	Count	20	253	2324
	%	86.4%	47.4%	34.6%
Total	Count	23	534	6713
	%	100.0%	100.0%	100.0%

There is a difference between urban and rural banks that offer consumer credit cards. About a third (33.9 percent) of rural banks offer credit cards, compared with 37.8 percent of urban banks.

QIXD. Figure 4. Urban/Rural

		Does the bank offer consumer credit cards?	
		Rural HQ	Urban HQ
No	Count	2557	2115
	%	66.1%	62.2%
Yes	Count	1313	1284
	%	33.9%	37.8%
Total	Count	3870	3400
	%	100.0%	100.0%

Question IX D-1. If yes, what is required for someone to qualify for a traditional credit card? (Check all that apply)

- Social Security number Minimum credit score
 Review of credit history Proof of income Other

The majority of banks require a Social Security number, credit history review and/or minimum credit scores in order for individuals to qualify for a traditional credit card.

QIXD-1. Figure 1. Summary of Bank Requirements for Credit Cards

Eligibility Requirements	Percent of Banks Requiring
Social Security Number	77.5%
Review of Credit History	77.4%
Minimum Credit Score	52.1%
Proof of Income	48.1%
Other	29.6%

QIXD-1. Figure 2. Social Security Number

	Frequency	Weighted Frequency	Weighted Percent
Valid No	55	576	22.5
Yes	202	1983	77.5
Total	257	2559	100.0
Missing System	5	38	
Total	262	2597	

QIXD-1. Figure 5. Proof of Income

	Frequency	Weighted Frequency	Weighted Percent
Valid No	134	1323	51.9
Yes	123	1226	48.1
Total	257	2549	100.0
Missing System	5	48	
Total	262	2597	

QIXD-1. Figure 3. Minimum Credit Score

	Frequency	Weighted Frequency	Weighted Percent
Valid No	114	1220	47.9
Yes	143	1329	52.1
Total	257	2549	100.0
Missing System	5	48	
Total	262	2597	

QIXD-1. Figure 6. Other

	Frequency	Weighted Frequency	Weighted Percent
Valid No	183	1777	70.4
Yes	72	745	29.6
Total	255	2522	100.0
Missing System	7	75	
Total	262	2597	

QIXD-1. Figure 4. Review of Credit History

	Frequency	Weighted Frequency	Weighted Percent
Valid No	55	576	22.6
Yes	202	1973	77.4
Total	257	2549	100.0
Missing System	5	48	
Total	262	2597	

The most frequently mentioned categories under “other” are: credit card offered through a third party (46), source of income and ability to repay (8), debt-to-income ratio (5), and proof of residency (5).

There are few differences among regions or tiers for eligibility requirements to qualify for a consumer credit card.

There are few differences between urban and rural banks for requirements to qualify for a consumer credit card.

Question IX D-2. If yes, for your “basic” credit card, please indicate the following:

Initiation Fee	Annual Fee	Acct. Maintenance Fee	Late Payment Fee	Over the Limit Fee	Typical Credit Limit	Min. APR	Max. APR	Typical APR	Maximum Term (Months)

For banks that offer credit cards, both the median and mode for initiation fees, annual fee, and account maintenance fees are \$0.00. Late payment and over-the-limit fees are much more common, with a mean of \$22.17 for late payment and \$25.37 for over-the-limit (OTL) fees.

QIXD-2. Figure 1. Statistics

Weighted		Initiation Fee	Annual Fee	Account Maintenance Fee	Late Payment fee	Over-the-limit Fee
N	Valid	1120	1305	1096	1617	1582
	Missing	1477	1293	1501	980	1016
Mean		\$.37	\$8.42	\$.04	\$21.54	\$23.45
Median		\$.00	\$.00	\$.00	\$20.00	\$25.00
Mode		\$.00	\$.00	\$.00	\$25.00	\$25.00
Minimum		\$.00	\$.00	\$.00	\$.00	\$.00
Maximum		\$30.00	\$55.00	\$6.00	\$39.00	\$50.00

There is a difference between tiers for OTL fees on credit cards. Larger banks have higher OTL fees, with Tier 1 banks charging an average of \$34.44, compared with \$27.43 in Tier 2 and \$22.74 in Tier 3.

QIXD-2. Figure 2. Tier 1

		Initiation Fee	Annual Fee	Account Maintenance Fee	Late Payment Fee	Over-the-limit Fee
N	Valid	14	14	14	15	17
	Missing	6	6	6	5	3
Mean		\$.00	\$ 1.15	\$.00	\$ 22.64	\$ 34.44
Median		\$.00	\$.00	\$.00	\$ 24.00	\$ 37.00
Mode		\$.00	\$.00	\$.00	\$ 19.00(a)	\$ 39.00
Minimum		\$.00	\$.00	\$.00	\$.00	\$ 15.00
Maximum		\$.00	\$ 15.00	\$.00	\$ 39.00	\$ 39.00

Multiple modes exist. The smallest value is shown.

QIXD-2. Figure 3. Tier 2

		Initiation Fee	Annual Fee	Account Maintenance Fee	Late Payment Fee	Over-the-limit Fee
N	Valid	163	170	166	194	198
	Missing	90	83	87	59	55
Mean		\$.00	\$ 6.57	\$.15	\$ 23.81	\$ 27.43
Median		\$.00	\$.00	\$.00	\$ 23.50	\$ 29.00
Mode		\$.00	\$.00	\$.00	\$ 15.00	\$ 39.00
Minimum		\$.00	\$.00	\$.00	\$.00	\$.00
Maximum		\$.00	\$ 45.00	\$ 6.00	\$ 39.00	\$ 39.00

QIXD-2. Figure 4. Tier 3

		Initiation Fee	Annual Fee	Account Maintenance Fee	Late Payment Fee	Over-the-limit Fee
N	Valid	943	1121	916	1408	1367
	Missing	1381	1203	1408	916	957
Mean		\$.43	\$ 8.79	\$.03	\$ 21.22	\$ 22.74
Median		\$.00	\$.00	\$.00	\$ 20.00	\$ 25.00
Mode		\$.00	\$.00	\$.00	\$ 25.00	\$ 25.00
Minimum		\$.00	\$.00	\$.00	\$.00	\$.00
Maximum		\$ 30.00	\$ 55.00	\$ 1.75	\$ 39.00	\$ 50.00

There is a difference among regions for OTL fees on credit cards. The East North Central (\$27.09) and Mountain (\$27.04) regions have higher OTL fees than the West South Central (\$18.25), West North Central (\$20.58), and New England (\$20.92) regions.

QIXD-2. Figure 5. New England

		Initiation Fee	Annual Fee	Account Maintenance Fee	Late Payment Fee	Over-the-limit Fee
N	Valid	18	32	18	32	32
	Missing	41	27	41	27	27
Mean		\$.00	\$23.36	\$.00	\$14.48	\$20.92
Median		\$.00	\$25.00	\$.00	\$10.00	\$15.00
Mode		\$.00	\$18.00(a)	\$.00	\$29.00	\$29.00
Minimum		\$.00	\$.00	\$.00	\$.00	\$10.00
Maximum		\$.00	\$45.00	\$.00	\$29.00	\$29.00

a Multiple modes exist. The smallest value is shown.

QIXD-2. Figure 6. Mid-Atlantic

		Initiation Fee	Annual Fee	Account Maintenance Fee	Late Payment Fee	Over-the-limit Fee
N	Valid	82	85	82	111	112
	Missing	76	73	76	48	47
Mean		\$.00	\$14.85	\$.00	\$20.78	\$21.57
Median		\$.00	\$20.00	\$.00	\$20.00	\$20.00
Mode		\$.00	\$.00	\$.00	\$35.00	\$35.00
Minimum		\$.00	\$.00	\$.00	\$.00	\$.00
Maximum		\$.00	\$35.00	\$.00	\$35.00	\$39.00

QIXD-2. Figure 7. South Atlantic

		Initiation Fee	Annual Fee	Account Maintenance Fee	Late Payment Fee	Over-the-limit Fee
N	Valid	109	137	109	143	116
	Missing	159	131	159	125	152
Mean		\$.00	\$6.71	\$.00	\$19.44	\$24.69
Median		\$.00	\$.00	\$.00	\$19.00	\$29.00
Mode		\$.00	\$.00	\$.00	\$19.00	\$29.00
Minimum		\$.00	\$.00	\$.00	\$.01	\$.00
Maximum		\$.00	\$34.00	\$.00	\$39.00	\$39.00

QIXD-2. Figure 8. East South Central

		Initiation Fee	Annual Fee	Account Maintenance Fee	Late Payment Fee	Over-the-limit Fee
N	Valid	113	116	113	172	158
	Missing	131	128	131	72	86
Mean		\$.00	\$ 1.77	\$.00	\$ 24.81	\$ 25.59
Median		\$.00	\$.00	\$.00	\$ 25.00	\$ 29.00
Mode		\$.00	\$.00	\$.00	\$ 19.00	\$ 29.00
Minimum		\$.00	\$.00	\$.00	\$ 10.00	\$ 10.00
Maximum		\$.00	\$ 12.00	\$.00	\$ 39.00	\$ 35.00

a Multiple modes exist. The smallest value is shown.

QIXD-2. Figure 9. West South Central

		Initiation Fee	Annual Fee	Account Maintenance Fee	Late Payment Fee	Over-the-limit Fee
N	Valid	178	202	164	202	229
	Missing	157	133	171	133	106
Mean		\$.00	\$ 7.41	\$.00	\$ 19.14	\$ 18.25
Median		\$.00	\$.20	\$.00	\$ 15.00	\$ 15.00
Mode		\$.00	\$.00	\$.00	\$ 15.00	\$ 10.00
Minimum		\$.00	\$.00	\$.00	\$.00	\$.00
Maximum		\$.00	\$ 25.00	\$.00	\$ 39.00	\$ 39.00

QIXD-2. Figure 10. East North Central

		Initiation Fee	Annual Fee	Account Maintenance Fee	Late Payment Fee	Over-the-limit Fee
N	Valid	244	299	271	391	394
	Missing	349	294	321	202	198
Mean		\$.00	\$ 6.57	\$.00	\$ 23.19	\$ 27.09
Median		\$.00	\$.00	\$.00	\$ 19.00	\$ 29.00
Mode		\$.00	\$.00	\$.00	\$ 15.00	\$ 39.00
Minimum		\$.00	\$.00	\$.00	\$.00	\$ 5.00
Maximum		\$.00	\$ 55.00	\$.00	\$ 39.00	\$ 39.00

QIXD-2. Figure 11. West North Central

		Initiation Fee	Annual Fee	Account Maintenance Fee	Late Payment Fee	Over-the-limit Fee
N	Valid	189	206	148	329	292
	Missing	315	298	356	174	212
Mean		\$.00	\$ 7.48	\$.00	\$ 19.49	\$ 20.58
Median		\$.00	\$.00	\$.00	\$ 20.00	\$ 20.00
Mode		\$.00	\$.00	\$.00	\$ 10.00	\$ 10.00
Minimum		\$.00	\$.00	\$.00	\$ 1.00	\$.00
Maximum		\$.00	\$ 55.00	\$.00	\$ 39.00	\$ 50.00

QIXD-2. Figure 12. Mountain

		Initiation Fee	Annual Fee	Account Maintenance Fee	Late Payment Fee	Over-the-limit Fee
N	Valid	69	82	82	110	110
	Missing	127	113	113	86	86
Mean		\$.00	\$ 7.48	\$.04	\$ 27.96	\$ 27.04
Median		\$.00	\$.00	\$.00	\$ 29.00	\$ 29.00
Mode		\$.00	\$.00	\$.00	\$ 25.00	\$ 25.00
Minimum		\$.00	\$.00	\$.00	\$ 10.00	\$.00
Maximum		\$.00	\$ 35.00	\$ 1.00	\$ 39.00	\$ 39.00

a Multiple modes exist. The smallest value is shown.

QIXD-2. Figure 13. Pacific

		Initiation fee	Annual Fee	Account maintenance fee	Late payment fee	Over the limit fee
N	Valid	118	145	108	128	138
	Missing	123	96	133	113	103
Mean		\$ 3.48	\$ 15.39	\$.42	\$ 20.49	\$ 23.51
Median		\$.00	\$ 15.00	\$.00	\$ 19.00	\$ 25.00
Mode		\$.00	\$.00	\$.00	\$ 10.00	\$ 25.00
Minimum		\$.00	\$.00	\$.00	\$ 7.00	\$ 10.00
Maximum		\$ 30.00	\$ 50.00	\$ 6.00	\$ 39.00	\$ 39.00

There is no difference between urban and rural banks for over-the-limit fees on credit cards.

Question IX D-3. Does having a deposit account with the bank improve a customer’s ability to receive a credit card?

Yes No

Forty-two percent (42.0 percent) of banks that offer credit cards improve a customer’s ability to receive a credit card if they have a deposit account with the bank.

QIXD-3. Figure 1. Does having a deposit account improve a customer's ability to receive a credit card?

		Frequency	Weighted Frequency	Weighted Percent
Valid	No	138	1388	58.0
	Yes	102	1003	42.0
	Total	240	2391	100.0
Missing	System	22	207	
Total		262	2597	

There is no difference among regions or tiers for a customer’s ability to receive a credit card.

There is no difference between urban and rural banks for a customer’s ability to receive a credit card.

Question IX D-3a. If yes, how?

Ninety banks explained how having a deposit account improves a customer’s ability to receive a credit card.

The comments indicate that it is beneficial for customers who are looking to open a credit card account to have a deposit account with the bank. Respondents reported that having a deposit account improves a customer’s ability to obtain credit because it shows that the customer already has a banking relationship and allows the bank to review account history. Through this account history, banks can determine the customer’s “stability” and assess their ability to repay. Some sample banks reported that they do not offer unsecured loans because their policies require a banking relationship in order to receive a credit card. Therefore, non-customers will not be approved for credit cards at these banks.

Question IX D-4. Does the bank offer secured credit cards for established customers who do not qualify for a traditional credit card? Yes No

About a quarter (25.3 percent) of all banks that offer credit cards offer a secured credit card.

QIXD-4. Figure 1. Does the bank offer secured credit cards for customers who don't qualify for a traditional one?

		Frequency	Weighted Frequency	Weighted Percent
Valid	No	173	1836	74.7
	Yes	75	623	25.3
	Total	248	2459	100.0
Missing	System	14	138	
Total		262	2597	

There are differences among regions for banks that offer secured credit cards. No banks in New England report offering secured credit cards, which is different than Pacific region banks (51.4 percent).

QIXD-4. Figure 2. Region

		Does the bank offer secured credit cards for customers who don't qualify for a traditional one?								
		New England	Mid-Atlantic	South Atlantic	East South Central	West South Central	East North Central	West North Central	Mountain	Pacific
No	Count	59	98	212	169	260	401	404	130	104
	%	100.0%	68.3%	85.7%	79.1%	80.8%	68.1%	84.7%	66.6%	48.6%
Yes	Count		46	35	44	62	188	73	65	110
	%		31.7%	14.3%	20.9%	19.2%	31.9%	15.3%	33.4%	51.4%
Total	Count	59	144	247	213	322	589	476	195	214
	%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

A smaller percentage of banks in Tier 3 (12.6 percent) offer secured credit cards than banks in Tier 1 (30.0 percent).

QIXD-4. Figure 3. Tier

		Does the bank offer secured credit cards for customers who don't qualify for a traditional one?		
		Tier 1	Tier 2	Tier 3
No	Count	15	264	3609
	%	70.0%	69.7%	87.4%
Yes	Count	6	114	520
	%	30.0%	30.3%	12.6%
Total	Count	21	378	4129
	%	100.0%	100.0%	100.0%

There is a difference between urban and rural banks for banks that offer secured credit cards. A lower percentage (12.5 percent) of rural banks offer secured cards, compared with 16.0 percent of urban banks.

QIXD-4. Figure 4. Urban/Rural

		Does the bank offer secured credit cards for customers who don't qualify for a traditional one?	
		Rural HQ	Urban HQ
No	Count	2110	1778
	%	87.5%	84.0%
Yes	Count	301	339
	%	12.5%	16.0%
Total	Count	2411	2117
	%	100.0%	100.0%

Question IX D-4a. If yes, please indicate the following:

Minimum Credit Score	Initiation Fee	Annual Fee	Acct. Maintenance Fee	Late Payment Fee	Over the Limit Fee	Typical Credit Limit	Min. APR	Max. APR	Typical APR

Most banks that offer secured credit cards charge annual fees and over-the-limit fees. The median annual fee is \$20, and the median over-the-limit fee is \$29.

QIXD-4a. Figure 1. Statistics

Weighted		Minimum Credit Score	Initiation Fee	Annual fee	Account Maintenance Fee	Over-the-limit Fee
N	Valid	144	286	367	249	377
	Missing	479	338	257	374	246
Mean		263.90	\$14.73	\$20.14	\$1.11	\$25.45
Median		.00	\$0.00	\$20.00	\$0.00	\$29.00
Mode		0	\$0.00	\$0.00	\$0.00	\$39.00
Minimum		0	\$0.00	\$0.00	\$0.00	\$0.00
Maximum		700	\$300.00	\$65.00	\$17.00	\$39.99

There are minimal differences among regions or tiers for secured credit card fees and requirements.

There are no differences between urban and rural banks for secured credit card fees and requirements.

Question IX D-5. Can a cardholder “graduate” from a secured credit card to a traditional credit card? Yes No

Of the banks that offer a secured credit card, 96.3 percent allow cardholders to “graduate” to a traditional credit card.

QIXD-5. Figure 1. Can a cardholder 'graduate' from a secured card to a traditional credit card?

		Frequency	Weighted Frequency	Weighted Percent
Valid	No	3	21	3.7
	Yes	66	531	96.3
	Total	69	551	100.0
Missing	System	6	72	
Total		75	623	

There are no differences among regions or tiers for customers being able to graduate from a secured card.

There is no difference between urban and rural banks for customers being able to graduate from a secured card.

Question IX D-5a. If yes, how?

Sixty-six banks respondents described how cardholders can graduate from a secured credit card to a traditional credit card.

Banks explained that this transition is possible when customers establish an acceptable credit history. Accounts must be in good standing, and customers need to make payments on time for a particular period of time, depending on each bank’s policy. In doing so, individuals can improve their credit score to satisfy the bank’s specific standards. Variations in the length of time required for assessment by banks are as follows:

- Thirteen banks reported that they permit individuals to apply for a traditional credit card after 12 months of good standing.
- Four banks require 18 months of good standing.
- Two banks require 22 months of good standing.
- Four banks require 24 months of good standing
- Three banks require between 6 and 24 months of good standing, depending on each customer’s circumstances.

In addition, banks that only offer credit cards through a third party report having no control over such situations because all decisions are made at the discretion of the third-party provider.

