



New Developments in Banking Access

CBA Community Webinar Series
November 17, 2022

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Housekeeping



This webinar is being recorded. The recording and presentation slides will be shared with a week.



Attendees will remain in listen-only mode. Interact with us via the chat.



Closed captions are available for the event.



Questions? Type them into the Q&A box.



Agenda

Brief CBA Overview

The Banking/Credit Connection

Bank On

ChexSystems

Q&A



About Credit Builders Alliance

Our Mission

Bridging the gap between equity-focused nonprofits and credit bureaus to unlock credit as an asset for all

Our Philosophy

Good Credit is an Asset

Mission-driven nonprofits and other entities are uniquely positioned to help the households they serve build credit as an asset – often the **foundational** asset.



CBA Services



CBA Reporter and Business Reporter
Consumer and Commercial Reporting

CBA Access
Equifax, Experian, TransUnion, ChexSystems, LexisNexis, Nova Credit

CBA Training Institute
Cbatraininginstitute.org

**Rent Reporting
Technical Assistance Center**
Rentreportingcenter.org

CBA Fund
CBA's CDFI Intermediary designed to extend capacity building support
and funds to nonprofit/CDFI consumer lenders



CBA's Training Institute



 Login |  Register 

 202-730-9390

 training@creditbuildersalliance.org

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[Credit as an Asset Training](#)



[Credit Builders Toolkit](#)



[Consumer Lending Resources](#)

www.cbatraininginstitute.org



10th Annual Credit Building Symposium



SAVE THE DATE

JUNE 7-9

Grand Hyatt Hotel
Washington, DC

CBA 2023
Credit Building Symposium

**Bridging
The Credit Gap**



The Banking and Credit Connection

While **75.2%** banked households had a credit card or bank personal loan...

only **8.7%** unbanked households had a credit card or bank personal loan

Sources: FDIC

Underbanked vs. Unbanked

Unbanked

No one in the household has a checking or savings account at a bank or credit union.

Underbanked

A household has an account at an insured institution but also (or primarily) obtains financial products or services outside of the banking system.



Meet the Presenters



Brenda Bruce

Product Line Director
FIS



David Rothstein

Senior Principal
Cities for Financial Empowerment Fund

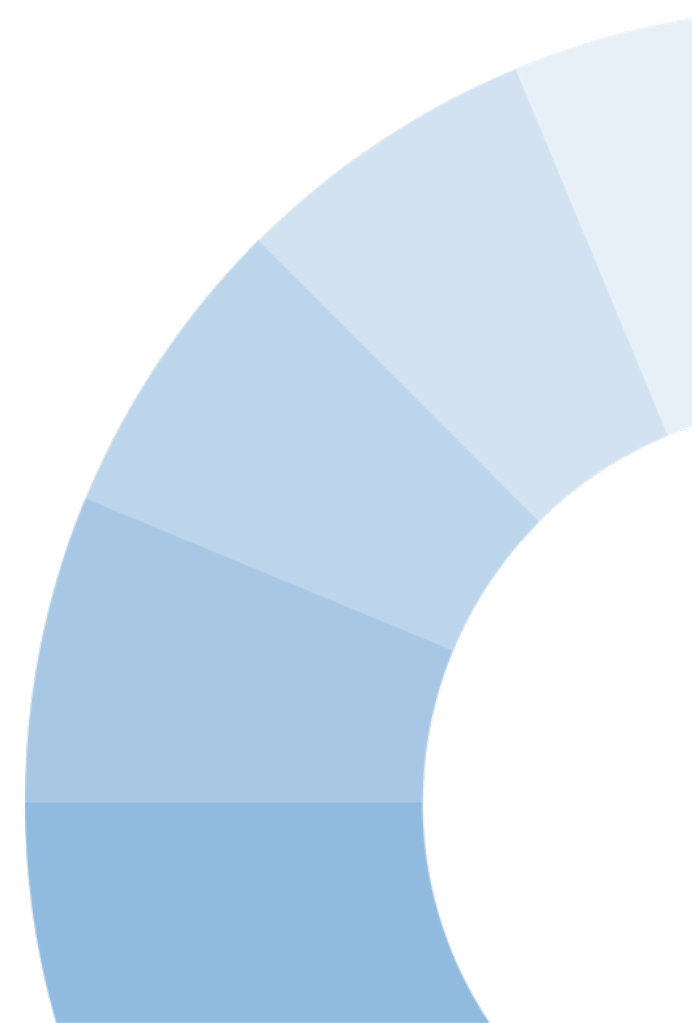


Bank On and the National Movement

David Rothstein

Senior Principal

CFE Fund



Banking Access Matters

Bank On is a national movement to increase access to safe and affordable bank and credit union accounts.



The average unbanked person spends 10% of income on alternative financial services fees. This can amount to **\$40,000 over a lifetime.**



Unbanked financial counseling clients were:

- **half as likely** to increase savings
- **over a third less likely** to establish a new credit score.



Unbanked clients who became banked during counseling were almost **8 times more likely** to increase their savings, relative to those who never became banked.

Biggest reasons for being un- and under-banked



FDIC Survey of Households

- Lack money to start and manage account
- Access to branches not a factor overall
- Minority households 5x more likely unbanked
- 21% decline in unbanked rate in 2 years

Bank On Coalitions

- IDs
- Address
- Reporting systems

The National **BankOn** Movement

290+

Bank On
certified
accounts

46,000+

Branches with
certified accounts
across all 50 states
and Washington D.C.

52%

of all US bank
branches offer a Bank
On certified account

62%

of the national
deposit market share
is comprised of FIs
with Bank On certified
accounts



= Bank On Coalitions

Updated Bank On National Account Standards



Affordable

Monthly fees of \$5 or less with a low minimum opening deposit



Safe

No overdraft, non-sufficient funds, or dormancy fees



Functional

Pay bills, make deposits and withdrawals, and transfer money

Chapter 2:
Bank On National Account Standards
(2023- 2024)



TERMS	STANDARDS
Core Features	
Transaction Account at Insured Depository Institution	Checking account (including checkless checking) or prepaid account, directly offered by financial institution
Debit Card	Debit card network (e.g., Visa, Mastercard, Discover) for point of sale and bill payment; free
Minimum Opening Deposit	\$25 or less If not waivable: \$5 or less
Monthly Maintenance Fee	If waivable: \$10 or less; offer at least two options to waive fee entirely with a single transaction (e.g. direct deposit with no minimum deposit, online bill pay, or debit card purchase)
Overdraft or Non-Sufficient Funds (NSF) Fees or Payments	None
Account Activation, Closure, Dormancy, Inactivity, and Low Balance Fees	None
Customer Service	
Branch Access	For financial institutions with branches: free and unrestricted For financial institutions without branches: access to free ATM network and free remote deposits
Telephone Banking (Including Live Support)	Free and unrestricted
ATM Access	Free and unrestricted in network \$2.50 or less out-of-network fee; or up to \$1.00 if also provide free access to a partner ATM network
Functionality	
Deposit Capability	Free cash and checks in branch and at ATM (when available), and direct deposit
Bill Pay	Free by financial institution if available; otherwise at least four free money orders and/or cashier checks per month
Online Banking, Mobile Banking, Banking Alerts	Free (if offered)
Monthly Statements	Free electronic; \$2 or less for mailed paper (if offered)
Insured Account Deposits	Insured by FDIC, NCUSIF, or regulator-sanctioned equivalent
Strongly Recommended Features	
Account Scanning (e.g., Check Systems, Early Warning Services)	Only deny new customers for past incidents of a lost card
Alternative IDs (Mnemonic, Consular, etc.)	Accept alternative IDs
Online Account Opening and Deposits	Free at financial institutions with branches
Linked Savings Accounts	Free savings accounts and account transfers
Funds Availability	Immediate availability for known customers cashing government, payroll, or checks from that financial institution
Money Orders	\$2.20 or less (based on U.S. Postal Service rate)
Readiness International Wire	Expeditedly priced by country: 100-1000 USD
Travel Buildings Product Offerings	Sponsored credit card or zero mail personal loan, e.g.

Certification Benefits for Financial Institutions



Community Opportunities:

- Local and national recognition
- Connectivity to local programs
- Certification seal for marketing efforts

Sustainable Customer Base:

- Bring new customers into the financial mainstream
- Deliver product with in-demand features
- Sell product through public and community banking access programming

Community Reinvestment Act Credit:

- Products certified as meeting the Standards support CRA service test examinations

The Bank On Market is Robust

Across 17 reporting institutions:

over
2.2 million

accounts newly opened
in 2020

82%

of accounts in 2020
were opened by
customers new to the
financial institution

Reporting banks
processed on average
nearly

64 million

debit transactions per month
for account holders with an
average value of over

\$2.4 billion

each month



Across the Map

locally-led Bank On Coalitions

statewide coalitions

95+
10

CRA Reform

Community Reinvestment Act

ACTION: Joint notice of proposed rulemaking; request for comment.

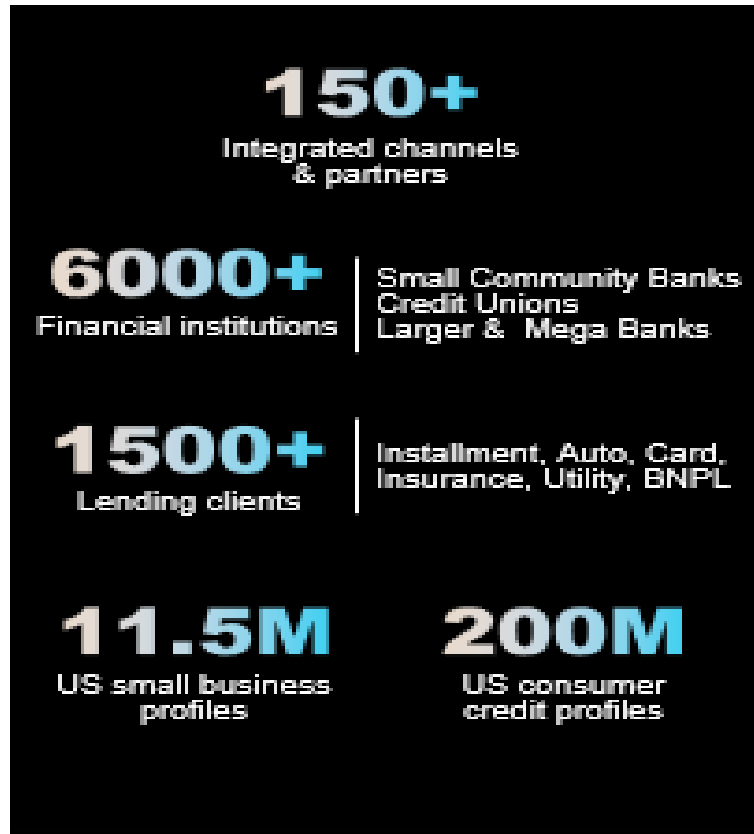
2. Deposit Products Responsive to the Needs of Low- and Moderate-Income Individuals

This approach would involve an assessment of the types of products offered, including an assessment of the features and the costs. Stakeholders indicated that this approach could be accomplished by inquiring whether the bank has an account that meets the Bank On National Account Standards from the Cities for Financial Empowerment Fund and reviewing that data.



The [Cities for Financial Empowerment Fund](#) (CFE Fund) writes in response to this request for comment on the proposal to amend the regulations implementing the Community Reinvestment Act of 1977 (CRA) to update how CRA activities qualify for consideration, where CRA activities are considered, and how CRA activities are evaluated. The CFE Fund joins the national chorus of appreciation and support for the Office of the Comptroller of the Currency's (OCC), Federal Deposit Insurance Corporation's (FDIC), and Federal Reserve System's commitment to a comprehensive and coordinated effort to strengthen the core goals of the CRA, and, in particular, the importance of evaluating the unique retail banking needs of low and moderate income (LMI) communities.

WHO IS CHEXSYSTEMS?



- ChexSystems is a Consumer Reporting Agency and a Nationwide Specialty Consumer Reporting Agency. It collects and maintains consumer information for use in its products and services.
- Companies use ChexSystems products, sometimes along with other data providers (such as credit bureaus or other alternative data providers), to determine if they will:
 - Open a bank account
 - Issue a new auto loan or lease
 - Approve a credit card
 - Issue a short-term or installment loan
 - Turn on a new utility or phone service
- ChexSystems differs from traditional credit bureaus because it focuses on demand deposit account and alternative credit services history.



BANK ON BUNDLE COMPONENTS

Best Practice Bank On Bundle

- Best practice inclusive strategy
- Optional ability to customize rules

ChexInsights®

- Management dashboards with key metrics
- Drill down capability to Bank On accounts

ChxEdu Report

- One-on-one financial counseling
- Shows consumers what information financial entities that use ChexSystems data may consider when they apply for a new account

CHEXEDU REPORT

One of the earliest steps in a consumer's financial journey is establishing a bank account.

The [ChexEDU Report](#) can give your consumer insight into what information a financial entity using ChexSystems data may see.

The ChexEDU Report can help you to enrich your financial curriculum to include alternative data sources.

CHEXADVISOR EDUCATIONAL REPORT



Personal Information

- Name, Address, SSN, DOB, Phone, Driver's License



Events

- Account Inquiries (DDA)
- Account Inquiries (Credit)
- Account Inquiries (Check Cashing)
- Forced Account Closures (DDA)
- Check Print Orders
- Returned Retail Items



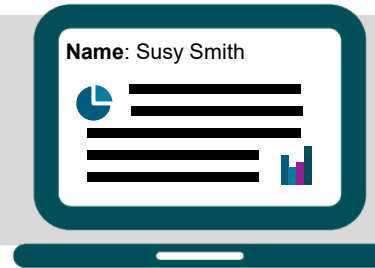
Score

- Calculated numerical value derived from events contained in a consumer's file

HOW IT WORKS



Consumer provides identifying information and written consent to pull an educational report



CBA Member utilizes the eAccess web portal to request the consumer's report



Report can be printed for educational review with the consenting consumer

Since the report is generated for educational purposes, **the inquiry does not affect the consumer's score, ChexSystems' risk models or other calculated attributes within ChexSystems.** This type of inquiry is considered a "soft posting," and is provided solely for educational purposes with the written consent of the consumer.

ChexEDU Report

- **Consumer's Information**
- **Score**
- **Events**
 - Account Inquiries (DDA)
 - Account Inquiries (Credit)
 - Account Inquiries (Check Cashing)
 - Forced Account Closures (DDA)
 - Check Print Orders
 - Returned Retail Items
- **Alerts and Special Messages**

If the consumer has questions on the information in their report, they can be referred to www.chexsystems.com in order to:

- Order a copy of their consumer file
- Submit a dispute
- Learn of additional rights under the FCRA

Consumers may also call, write or fax ChexSystems.

		flaglobal.com Logout Help
Home New Inquiry		
Print-friendly Version		
Applicant Information as Entered		
Applicant First Name: Caitlyn Applicant Middle Name: Applicant Last Name: Garrow	SSN / ITIN: XXX-XX-XXXX ☐ Unmask It! Date of Birth: 03/24/1991 E-mail:	
Current Address Street Address: 143 Fremont St City: San Francisco State: CA - California Postal Code: 94105	Home Phone: 707-826-0141 Work Phone:	
Time at Address:	Driver's License #: XXXX0290 ☐ Unmask It! DL State of Issuance: CA - California	
Previous Address Street Address: City: State: Postal Code:	RTN Number: Account Number: Deposit Amount:	
Non FCRA Services		
SSN Validation: SSN AVAILABLE FOR RANDOMIZED ISSUANCE DL Format Validation: VALID DRIVERS LICENSE FORMAT		
Alerts and Special Messages		
ChexSystems Consumer Alert: NO CONSUMER PRIVACY DATA ON FILE Consumer is over Age 100: No		
Consumer Identifying Information - On File		
Consumer Name 1: CAITLIN GARROW Consumer Name 2: Consumer Name 3: Consumer Name 4:	Address 1: Street Address: 143 FREMONT ST City: SAN FRANCISCO State: CA - California Postal Code: 94105-2227	
SSN 1: XXX-XX-4965 SSN 2: SSN 3:	Address 2: Street Address: City: State: Postal Code:	
Phone 1: 707-826-0141 Phone 2:	Address 3: Street Address: City: State: Postal Code:	
DL #: C0000290 DL State: CA - California		

* Indicates consumer input data does not match on file data.

Recap

- Consumer Reporting Agency that covers banking account misuse, closures, and fraudulent activity
- Regulated under the Fair Credit Reporting Act (FCRA)
- Banks may choose to report into the system
- Banks use the reports to establish if an account is likely to be risky or unprofitable
- Very little public knowledge on these reports



What Reports Does ChexSystems Generate?



ChexAdvisor Business Report

- Financial institutions
- Assess risk, make decisions
- Available to bankers
- Unavailable to consumers
- Users pay per copy



ChexAdvisor Consumer Report

- Consumers
- Understand and monitor their reports
- Available once yearly online, or when denied an account
- Free



ChexEDU Report

- Financial coaches
- Assist participants in understanding report
- Available to coaches online
- Unavailable to consumers
- Users pay per copy



Join us for Part 2!

Removing Barriers to Banking: The ChexEDU™ Report

Thursday, December 1, 2022, 2:00-3:00 pm EST

Register here: bit.ly/ChexPt2_CBA

Note: Open to CBA Members and Allies



Why Use ChexSystems Reports?

- Have access to the same information as banks
- Offer a pathway to success for participants
- Develop more robust programming



Questions?

webinars@creditbuildersalliance.org

