Minutes

of

The Meeting of the FDIC Advisory Committee on Economic Inclusion

of the

Federal Deposit Insurance Corporation

Held in the Board Room

Federal Deposit Insurance Corporation Building

Washington, D.C.

Open to Public Observation

October 20, 2016 – 9:00 A.M.

The meeting of the FDIC Advisory Committee on Economic Inclusion ("ComE-IN" or "Committee") was called to order by Martin J. Gruenberg, Chairman of the Board of Directors of the Federal Deposit Insurance Corporation ("Corporation" or "FDIC").

The members of ComE-IN present at the meeting were Robert A. Annibale, Global Director, Citi Microfinance and Community Development; Michael S. Barr, Professor of Law, University of Michigan Law School; Ted Beck, President and Chief Executive Officer ("CEO"), National Endowment for Financial Education; Kelvin Boston, Executive Producer and Host of PBS' *Moneywise with Kelvin Boston;* José Cisneros, Treasurer, City and County of San Francisco, California; Martin Eakes, CEO, Self-Help/Center for Responsible Lending; Andrea Levere, President, Corporation for Enterprise Development; Patricia A. McCoy, Liberty Mutual Professor of Law, Boston College Law School; Alden J. McDonald, Jr., President and CEO, Liberty Bank and Trust Company; Bruce D. Murphy, Executive Vice President and President, Community Development Banking, KeyBank National Association; Mark W. Olson, Chairman, Treliant Risk Advisors; John W. Ryan, Executive Vice President, Conference of State Bank Supervisors; Phillip L. Swagel, Professor in International Economic Policy, University of Maryland; and John C. Weicher, Director, Center for Housing and Financial Markets, Hudson Institute.

Janie Barrera, Founding President and CEO of LiftFund, Inc.; Rev. Dr. Floyd H. Flake, Senior Pastor, Greater Allen A.M.E. Cathedral of New York; Ester R. Fuchs, Professor, School of International and Public Affairs, Columbia University; Wade Henderson, President and CEO, Leadership Conference on Civil Rights, and Counselor to the Leadership Conference on Civil

Rights Education Fund; Manuel Orozco, Senior Associate at the Inter-American Dialogue and Senior Researcher, Institute for the Study of International Migration, Georgetown University; and J. Michael Shepherd, Chairman and CEO, Bank of the West and BancWest Corporation were absent from the meeting.

The sole member of the Corporation's Board of Directors present at the meeting was Martin J. Gruenberg, Chairman. Michael W. Briggs, Alternate Designated Federal Officer for the Committee and Senior Counsel, FDIC Legal Division, also was present at the meeting.

Corporation staff who attended the meeting included James A. Anderson, Luke H. Brown, Karyen Chu, Christine M. Davis, Keith S. Ernst, David J. Friedman, Ryan M. Goodstein, Bobbie Gray, Shannon N. Greco, Barbara Hagenbaugh, Shamara L. Humbles, Ron Jauregui, Nicholas S. Kazmerski, Alicia Lloro, Christopher Lucas, Sydney Mayer, Jonathan N. Miller, Janet V. Norcom, Elizabeth Ortiz, Mark E. Pearce, Lee Price, Luke W. Reynolds, Sherrie Rhine, Richard M. Schwartz, Kimberly Stock, Lori Thompson, Jeffrey Weinstein, LaJuan Williams-Young, and Angela A. Wu.

William A. Rowe, III, Deputy to the Chief of Staff and Liaison to the FDIC, Office of the Comptroller of the Currency, also was present at the meeting.

Chairman Gruenberg opened and presided at the meeting. He began by providing a brief overview of the meeting agenda, advising that the first panel would expand on the Committee's discussion from prior meetings on the expansion of access to safe transaction accounts with a presentation by a representative from U.S. Bank to discuss a new product that aligns with the FDIC's Model Safe Accounts Template, as well as an update from Cities for Financial Empowerment Fund on their work with the Bank On initiatives, and a discussion by the FDIC of its continued efforts to expand access to safe low-cost transactions; that the bulk of the day would be devoted to reviewing the results of the 2015 National Survey of Unbanked and Underbanked Households ("Household Survey"), which was first introduced in 2009, with a morning presentation providing the framework of the findings; that the third panel, following lunch, would be a follow-up conversation to the findings from the 2015 Household Survey to discuss the implications of the results; and that the fourth and final panel would discuss the FDIC's Youth Savings Pilot, created two years ago to promote financial inclusion among young people, and provide updates on the lessons learned from the pilot. Chairman Gruenberg then introduced Jonathan N. Miller, Deputy Director for Policy and Research, Division of Depositor and Consumer Protection ("DCP"), who would serve as moderator for the panel discussion on "Expanding Access to Safe Transaction Accounts."

Mr. Miller first provided an overview of the initiative to expand access to safe low-cost transaction accounts, especially to low- and moderate-income ("LMI") families. Mr. Miller discussed the Model Safe Accounts Template, which outlines low-cost accounts having no or low monthly fees, no or low monthly balances, and no overdraft fees. Mr. Miller noted that the Model Safe Accounts are a mechanism for helping LMI families surmount the barriers to account ownership that have been identified in the Household Survey. Mr. Miller then introduced panel members: Lynn Heitman, Executive Vice President, Consumer Banking Product Strategy and Support, U.S. Bank; Jonathan Mintz, President and Chief Executive Officer ("CEO"), Cities for Financial Empowerment Fund ("CFE Fund"); and Elizabeth Ortiz, Deputy Director, Community and Consumer Affairs, DCP.

Ms. Heitman opened the discussion by providing an overview of U.S. Bank's Safe Debit Account ("Safe Account") product, a safe affordable deposit account that has the benefits of a traditional checking account, but includes certain limitations or restrictions that are different from a traditional checking account. Ms. Heitman explained that the Safe Account is different from a traditional checking account by being a checkless account with no overdraft or NSF fees. Ms. Heitman continued by highlighting the similarities between a Safe Account and a traditional checking account at U.S. Bank and further discussed the importance of the Safe Account's equal visibility to traditional accounts and the critical nature of employee training and engagement regarding this product. Ms. Heitman then highlighted the success of the product. Ms. Heitman concluded by providing examples of U.S. Bank's commitment to engaging new customers with the Safe Account and providing financial education through their Financial Genius Program and credit engagement initiatives.

Mr. Mintz then discussed the CFE Fund National Account Standards, which have a strong foundation in the FDIC Model Safe Accounts Template. Mr. Mintz highlighted the Bank On National Advisory Board ("Advisory Board") and the two working groups it created to focus on major issues facing banking access efforts like Bank On. Mr. Mintz explained that the first working group focuses on data useful for different Bank On partners and their initiatives to reach under or unbanked consumers, and the second working group concentrates on how to help Bank On coalitions structure their relationships with financial institutions. Mr. Mintz focused the rest of his discussion on the developments made to help financial institutions. Some of these developments are: (1) issuing capacity grants to local coalitions across the country and providing resources to focus on the most effective ways to raise awareness and accomplish a measureable impact on the community; (2) connecting coalitions to facilitate learning the best practices and creating constructive dialogue to impact communities; (3) raising awareness of safe accounts and how to connect people to safe accounts on both a large and small scale; and (4) managing a learning community that holds a conference to address developments and the Bank On program as a whole. Mr. Mintz finished by discussing the CFE Fund-managed portal by which financial institutions, either through their Bank On partners or on their own, submit a request for validation or accreditation to determine whether the institution meets the CFE Fund National Account Standards. Mr. Mintz also pointed out that the National Consumer Law Center has partnered with CFE Fund on this project.

Ms. Ortiz followed Mr. Mintz with a discussion on the FDIC's Community Affairs staff members' efforts to work to connect individuals to bank accounts in partnership with local Bank On coalitions, financial institutions, and in collaboration with the CFE Fund. Ms. Ortiz provided the Committee with a review of the program over the last 18 months, which included more banks adding accounts to their product offerings that are consistent with the FDIC Model Safe Accounts Template and the CFE Fund Bank On standards, and the FDIC working closely with

Bank On coalitions in seven locations and dozens of other communities by providing technical assistance. Ms. Ortiz continued her portion of the presentation by focusing on what the FDIC has done differently in 2016. The three main differences are: (1) there are seven cities where the FDIC has focused its efforts to support the advancement of the local Bank On coalition; (2) the staff has organized community group roundtables that introduce groups to each other, to Bank On, and to municipal agencies participating in Bank On; and (3) the staff has convened economic inclusion summits that focus on banking relationships and financial well-being. Ms. Ortiz continued by discussing the follow-up meetings that have occurred since an initial informational session occurred in Washington, D.C. over the summer and the strengthening of local connections to Bank On by leveraging the FDIC's existing network of local relationships throughout the country. Ms. Ortiz concluded by discussing the lessons learned through the program. Some of the important takeaways include the importance of integrating banking programs with developmental and educational programs, consistent leadership to increase impact and minimize disruption, the necessity of local bank training, and the importance of understanding that every community is different and needs to be catered as such.

In the discussion that followed, Committee members offered a number of comments and suggestions. Mr. Murphy commended U.S. Bank for its Safe Account program and the beneficial impact it is having on consumers by providing them with choice and control over their banking. Mr. Annibale echoed these comments, suggesting that in terms of reporting to the CFE Fund-managed portal, the CFE Fund should work with its partners to think of how to make reporting a positive thing for banks to do. Mr. Barr commented on the difficulty facing the panelists and the committee to increase people's willingness to join and trust the financial system when a major financial institution has just lost the trust of many of its customers. Mr. Barr continued by stressing the need to work together to think of how to retain consumers' trust following the public loss of trust and enhancing choice for the consumers.

Mr. Beck asked if Mr. Mintz was aware of any data tracking for the Youth Employment Programs, specifically data on what is being done in these programs and whether accounts are retained after the program is finished. Mr. Mintz responded that some aggregate data, which reflects positively on the program, has been collected about activity in youth program participants' accounts, explained how their accounts are doing, and discussed the retention rates after a year and a half of the program. Mr. Boston asked Ms. Ortiz to provide more detail on the types of accounts opened with Volunteers of America in terms of age demographic, and he asked Mr. Mintz to discuss capacity grants given out to non-profits and partners that was mentioned in Mr. Mintz's discussion. Ms. Ortiz responded by promising to follow-up with Volunteers of America to retrieve that data. Mr. Boston followed-up his question by asking why Volunteers of America is participating in Bank On given that the program seems to be outside their frame of interest, and Ms. Ortiz stated that Volunteers of America's participation is a demonstration of how working together, Bank On is able to leverage the experience of its participants to advance its effort forward.

In regards to capacity grants, Mr. Mintz explained that the Bank On Capacity Grant Fund is issuing grants of up to $10,000 to Bank On coalitions across the country as a way to support

Bank On's efforts and build into the communities it serves. Mr. Boston asked what the funds for the grant are used for. Mr. Mintz answered that because Bank Ons have different priorities, the grant is open in terms of how the funds are to be used. For example, Mr. Mintz stated that some are spending it on communication while others are using it for convening opportunities, and that this helps advance the ideals of Bank On and its partners. Mr. Cisneros commended all the panelists for their contributions to the Bank On effort and encouraged every city and group working on programs like Bank On to reach out to local partners and to the FDIC. Mr. Cisneros also suggested that the Committee consider safe banking practices and create standards to ensure more appropriate and ethical practices where the neediest consumers are located.

Mr. Eakes commented on the progress made, particularly by U.S. Bank, Citi Bank, and Bank of America, in terms of overdraft fees, while smaller institutions have become more reliant on overdraft fees. Mr. Eakes asked Ms. Heitman to explain what the standard deposit and deposit plus products are at U.S. Bank and whether bill pay is integrated real-time into the consumer's account. Ms. Heitman responded by explaining that DepositPoint™ and deposit plus are product names for solely mobile deposits. As to the second question, Ms. Heitman stated that online bill pay is same day, not real-time, because same day is the best that the system can do presently. However, she noted that it is something that U.S. Bank is watching, and because of this payment system, U.S. Bank restricts recurring and future-dated payments for Safe Account customers. Mr. Eakes followed-up by questioning whether the lag in the payment system means that someone could have a bill pay and then funds would go out of their account, leaving them in overdraft. Ms. Heitman responded that the chances of that occurring are incredibly slim because of how the process works, but it is still a potential issue that U.S. Bank is aware of.

Mr. Mintz commended U.S. Bank for bearing the risk of the aforementioned overdraft situation and not allowing the customer to bear the risk alone. Mr. Eakes echoed those sentiments, and Ms. Heitman reiterated that the potential for overdrafts in the payment system as it is currently set up is something that U.S. Bank is watching to protect the consumer. Ms. Levere thanked the panel for its participation and asked Ms. Heitman whether she has noticed any geographic patterns in the uptake in accounts. Ms. Levere also asked about the connection to savings and how the bank encourages people to make that connection in their institution. Ms. Heitman responded that she will have further information and data in the coming months to provide to the Committee and noted the importance of the data that Ms. Levere commented on. Ms. Heitman further responded that the savings connection is critical, and the bigger picture at U.S. Bank involves financial education and the savings connection, which has been continually discussed.

Ms. McCoy inquired as to how U.S. Bank connects with unbanked individuals to sell their product. Ms. Heitman highlighted the local connections and properly educating employees to reach unbanked consumers. Mr. McDonald observed that the FDIC has done a large amount of work to bring new, accessible accounts to consumers over the last few years. Mr. McDonald asked Ms. Ortiz if she kept a total number of cities with the Bank On program and an estimated number of accounts. Mr. Miller answered this question, stating that they have not asked banks to report the number of accounts, but they will get voluntary reports from time to time. Mr.

McDonald commented that receiving reports and such numbers would be interesting for the FDIC to have and to see how successful the Bank On program has been. Ms. Ortiz agreed and further commented that the effort goes further than counting accounts; it is important that sustainable relationships with a financial institution are created encompassing credit and savings. Mr. Mintz estimated that there are 50 active Bank On coalitions in the country and another 50 to 75 coalitions at some level of activity.

Mr. Swagel asked for further clarification as to the reasoning behind DepositPoint™ at U.S. Bank. Mr. Swagel also asked the entire panel what happens to the consumer who does not have the knowledge to deal with potential fraud. Ms. Heitman responded that the fee charged for mobile deposits is a charge that is on all checking accounts. However, she noted that DepositPoint™ is a product that is regularly evaluated by U.S. Bank and any change made to the fee is made across the board. Ms. Heitman continued, stating that it is important for the consumer to be comfortable with the banking system and to have a personal relationship with his or her bank and its employees. Mr. Mintz echoed Ms. Heitman's comments, further explaining Bank On's role as the facilitator in creating these connections between the consumer and the banking industry.

Chairman Gruenberg then commended the panel for sustaining this valuable effort and for developing low-cost safe transaction account models at their institutions. Chairman Gruenberg further commended Ms. Heitman and U.S. Bank for its efforts in integrating the Safe Account product into their bank and creating a positive model for such a product on the market. Chairman Gruenberg then thanked all of the panelists and welcomed the second panel. Accordingly, at 10:17 a.m., the first panel ended.

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The meeting reconvened at 10:19 a.m. with Jonathan Miller, Deputy Director of Policy and Research, DCP, introducing Karyen Chu, Chief of Consumer Research, DCP, who would be moderating a panel presenting the results of the 2015 Household Survey. Ms. Chu began with a review of the Household Survey, explaining that it is a supplement of the Census Bureau's current population survey that measures the household participation in the banking system and household use of nonbank financial services. Ms. Chu further explained that in the 2015 survey, the FDIC added new questions to create a more comprehensive picture of the unbanked and underbanked population. Ms. Chu then introduced panel members Ryan Goodstein, Alicia Lloro, and Jeffrey Weinstein, who each serve as a Financial Economist in Consumer Research at the FDIC.

Mr. Goodstein focused his portion of the presentation on discussing the banking status for U.S. households, including the differences of unbanked and underbanked rates in the population and the factors associated with those rates. Mr. Goodstein explained that in 2015, 7 percent of households in the U.S., or about 9 million households, were unbanked, which is a decline of 0.7 percentage points since 2013. Half of the decline can be attributed to changes in socioeconomic conditions, but the remaining decline suggests that something else beyond just general changes to economic conditions is going on. Mr. Goodstein then defined underbanked households as households with a bank account, but that have used an alternative financial service ("AFS") in the last 12 months. Mr. Goodstein explained that in 2015, 7 percent of households were unbanked, 19.9 percent underbanked, and 68 percent were fully banked, meaning that they had a bank account and did not use any of the AFS products in the last 12 months. The remaining 5 percent were banked, but the FDIC did not have enough information to categorize the household for the purposes of the survey. Mr. Goodstein noted that the unbanked rates in 2015 were quite similar to the rates in 2013 and that the patterns are similar as in the past because households with lower educational attainment, lower income households, households with disabilities, younger households, and certain racial and ethnic minorities, tend to have higher rates of unbanked and underbanked.

Mr. Goodstein continued by stating that the unbanked rates across all segments have declined while the changes in underbanked rates were mixed. Focusing on the differences by race and ethnicity, Mr. Goodstein explained that there was a fairly substantial decline in the rates of unbanked in black and Hispanic households, but Asian households saw an increase from 2.2 percent to 4.0 percent. Mr. Goodstein noted that the FDIC is looking into this increase in more detail following the survey results. Mr. Goodstein discussed underbanked households, focusing on the decline of underbanked rates in black households and the 5 percent increase in fully banked households since the 2013 results. Mr. Goodstein further noted that the rates are similar for Hispanic households, and for Asian households, the underbanked rates increased.

Mr. Goodstein then shifted the discussion to geographic patterns, noting that southern states continued to have higher rates of unbanked individuals compared to others. Mr. Goodstein explained that account ownership is not static and certain households come in and out of the banking system over time, meaning that almost half of the unbanked households have had a bank account at some point in the past. In the 2015 survey, Mr. Goodstein discussed the addition of a new question, asking households to describe their income over the past 12 months, to address why people exit the banking system. Mr. Goodstein explained that roughly 72 percent of households in 2015 said that their income from month to month was about the same over the past 12 months, with 16 percent saying it varied month to month, and 4.5 percent saying it varied a lot from month to month. Mr. Goodstein noted that this volatility in income is fairly consistent across income levels. He further noted that income volatility is associated with increased rates of being unbanked and underbanked.

Mr. Goodstein moved on to discuss the results from the question of why unbanked households did not have an account. He explained that the most cited reason in 2015, 37.8 percent of households saying this is the main reason, was that the household simply said they did not have enough money to keep an account. Other widely cited reasons include avoiding a bank gives them more privacy, distrust of banks, and unpredictable and higher fees. Mr. Goodstein moved on to another new question added to the 2015 Household Survey, that being households' perception as to how interested banks are in serving households like theirs. This question served the purpose of identifying household perceptions of banks. Mr. Goodstein discussed the results, stating that 76.6 percent of households believe banks are very or somewhat interested, 31 percent of unbanked households thought banks were very or somewhat interested, and 55.8 percent of unbanked households believed that banks were not at all interested in serving households like theirs. Finally, Mr. Goodstein pointed out that about 80 percent of underbanked households thought that banks were very or somewhat interested, compared to 84 percent among fully banked households. Mr. Goodstein then introduced Jeffrey Weinstein, who would continue to discuss the results.

Mr. Weinstein opened the discussion by focusing on the methods that banked households used to access their bank accounts, including bank tellers, ATM kiosks, telephone banking, online banking, mobile banking or other. Mr. Weinstein compared the 2013 results with the 2015 results to the aforementioned question, with 79 percent of banked households in 2013 accessing their account using a bank teller and 76 percent doing the same in 2015. Mr. Weinstein then focused on the substantial gains of online and mobile banking, with online banking increasing from 55 percent in 2013 to 60.4 percent in 2015, and mobile banking increasing from 23 percent in 2013 to 32 percent in 2015. There was a slight decline in bank teller use, but three out of four banked households accessed their account through this method. Mr. Weinstein discussed the results of the question asking the primary method used to access banked households' accounts. While the same proportion of banked households used bank tellers and online banking as the primary method of account access in 2013, online banking exceeded bank tellers in the 2015 results. In addition, the use of mobile banking also increased by 4 percent since 2013.

Mr. Weinstein next focused on the use of prepaid cards by banked households. He explained that the use of prepaid cards has increased from 2013 to 2015, with the growth occurring broadly across socioeconomic and demographic groups and variation based on household characteristics like education and income levels. In addition, Mr. Weinstein noted that income volatility is associated with higher rates of prepaid card use. Mr. Weinstein continued by noting that in 2015 prepaid card use remained most prevalent amongst unbanked households, with an increase in prepaid card usage from 22 percent in 2013 to 27 percent in 2015. There also was an increase in prepaid card usage among underbanked and fully banked households.

Mr. Weinstein next explained that the overall national number of households that save for unexpected expenses or emergencies is 56.3 percent. Mr. Weinstein noted that rates of saving for unexpected expenses or emergencies varied by household characteristics, with savings rates among lower income households, less educated households, black and Hispanic households, and working-age persons with disabilities households being lower. There also were large differences in savings rates by banking status, with unbanked households saving for unexpected expenses or emergencies at a much lower rate than underbanked and fully banked households. As to savings method, Mr. Weinstein explained that savings and checking accounts were the most used savings methods, with about 10 percent of households keeping their savings in the home or with family or friends. Mr. Weinstein stated that unbanked households saved primarily in the home, with friends or family, or on prepaid card, and underbanked and fully banked households primarily used savings and checking accounts.

Mr. Weinstein concluded his portion of the panel by discussing the results to the question of what transactional AFS households use. Such transactional AFS include going to a place other than a bank to purchase a money order, cash a check, or send an international remittance. Credit AFS, which was asked about on the 2013 and 2015 surveys, is characterized as nonbank products or services that may be used in lieu of bank credit, payday loans, pawn shop loans, rent-to-own services, refund anticipation loans, and auto credit loans. Mr. Weinstein noted that the patterns of transaction AFS and credit AFS are similar between the 2013 and 2015 survey results. The use of transaction AFS decreased from 21.9 percent in 2013 to 20.2 percent in 2015, while the use of credit AFS increased from 7.0 percent to 7.7 percent. Mr. Weinstein pointed out that in 2013 and in 2015, use of any AFS continued to be much higher among unbanked households than banked households. He also noted that income volatility was associated with higher rates of both credit and transaction AFS usage. Mr. Weinstein then turned the discussion over to Ms. Lloro to discuss bank and nonbank credit.

Ms. Lloro began by discussing another new question in the 2015 survey, that being whether in the past 12 months a household had a credit card, personal loan or line of credit ("bank credit") from a bank. Ms. Lloro explained that the results showed that most households had bank credit and 64 percent only had bank credit. In addition, about half had both bank credit and credit AFS products ("nonbank credit"), and half only had nonbank credit. Ms. Lloro moved on to discuss how household credit behavior varied by certain demographic characteristics, with households with incomes of less than $15,000, black households, Hispanic households, and working-age persons with disabilities households, were more likely not to have any of the credit products asked about in the survey. Black households, working-age persons with disabilities households, and lower income households also were more likely to use nonbank credit only. Ms. Lloro continued, explaining that about 14 percent of households applied for bank credit, and overall, 3 percent both applied and were denied credit or not given as much credit as requested.

Ms. Lloro discussed the findings that about 6 percent of households were discouraged from applying for bank credit and about 17 percent of households had fallen behind on bills in the past 12 months. Ms. Lloro further explained that about 17 percent of households discouraged from applying for bank credit only used nonbank credit, compared to the 3.3 percent who were not discouraged. In addition, about 15 percent of households that fell behind on bills only utilized nonbank credit, compared to 2 percent of households that did not fall behind on bills. Ms. Lloro noted that the survey also looked at unmet demands for bank credit, classified as a household having credit needs not fully met by banks, a household that applied for credit and was denied credit, a household that felt discouraged from applying for bank credit or a household that used any nonbank credit. The survey demonstrated that 13.7 percent of households had credit needs not fully met, and about half of these households reported staying current on bills. Ms. Lloro proceeded to explain the next series of new questions to learn the extent to which households use banks and other methods to handle routine transactions and stated that most commonly pay bills by electronic payment from a bank. She noted that personal checks also were a common method, followed by debit card and credit card, and notably, 16.7 percent using cash.

Ms. Lloro then discussed how households receive income in a typical month, with the most popular method being direct deposit into a bank account, and the second most common being a paper check or money order. In terms of how this varies by banking status, Ms. Lloro explained that unbanked households went outside the banking system to pay bills or receive income, and cash played an important role with 60 percent using cash to pay bills. Ms. Lloro contrasted this with the fact that underbanked households used banks extensively, with the only distinction between underbanked and fully banked households being that underbanked households also used other methods for paying bills. Ms. Lloro noted that underbanked households are using banks extensively in this capacity, but also cash and nonbank money orders and to a smaller extent, prepaid cards. Ms. Lloro concluded by reminding the Committee of the economicinclusion.gov website where there is the full report, a full set of appendix tables with more information than discussed, and a custom data table tool.

Ms. Chu then began facilitating questioning. Mr. Olson opened the discussion, asking how individuals who have just entered adulthood or just become a resident of the U.S., but may not have any financial services were included, and if not, does the survey presume at least an existing single financial product. Mr. Goodstein answered that the Household Survey is a supplement of the current population survey, so the universe includes all U.S. households that are not institutionalized. Mr. Goodstein also noted that some, though very few, unbanked households respond no to all or most questions in the survey, meaning that some households solely operate in cash. Mr. Olson followed up by asking whether the data is old enough to correlate things like being a bank customer and achieving some of the greater financial goals. Ms. Chu responded that the goal of the survey is to provide objective information that allows people to talk about a measured usage of both bank and nonbank financial services. She stated that the survey does not currently have many outcome measures in the survey, but with every administration of the survey, the Consumer Research group tries to add questions. Mr. Olson concluded by commenting that the banking marketplace will continue to provide financial services, so the extent to which the banking industry is serving a broader societal goal, like helping a customer achieve an education, savings, and retirement, will become an increasingly important part of the survey.

Ms. Levere asked if the survey asked how much is saved. Mr. Weinstein responded that the survey does not ask for that data, just of whether they are saving at all. Mr. Weinstein continued by stating that how much is within this type of account can easily fluctuate if an emergency occurs. Ms. Levere then asked whether there was disaggregation within the data in regards to Asian communities. Mr. Goodstein first noted that while there is a jump in unbanked and underbanked rates for Asian households, the data trend over time demonstrates that it bounces a little over the years. Mr. Goodstein stated that these jumps demonstrate the need to dig deeper into the composition of households to determine why these trends happen. Ms. Chu cautioned that because the sample sizes are very small in the Asian households groups, it may not be possible to find much of significance.

Ms. McCoy asked: (1) whether the description of alternative financial services only picked up nonbank intake services; (2) whether the survey shows that some individuals avoid the banking system because they are afraid of detection or legal enforcement; and (3) if the survey contained any questions concerning avoiding bank transaction monitoring. Ms. Lloro explained that with the credit questions, the survey is not picking up financial technology ("FinTech") or marketplace lending. Mr. Goodstein responded to the second question, noting that while he may not be able to speak directly to the question, he could say that the reasons that some households cite for not having an account include privacy-related reasons, with a quarter of unbanked households citing this reason, but not a high proportion citing it as the main reason.

Mr. Beck commented on the quality of data relating to age groups, but noted that the presentation itself did not provide much differentiation by age category. Mr. Beck asked whether the survey shows any differences in behavior by age category. Mr. Goodstein responded that the patterns are similar to those found in the past. Mr. Goodstein explained that generally, in terms of unbanked and underbanked rates, the rates are higher for younger households versus older households, and the rates are also higher in older households to visit the bank teller as their primary method of banking interaction. Mr. Beck followed-up asking how gift cards are being treated for purposes of the survey. Mr. Goodstein responded that the survey explicitly states that prepaid cards do not include gift cards.

Mr. Annibale commented that the Committee must begin thinking about remittance services in terms of the underserved in the banking community. Mr. Annibale continued by suggesting that the panel and Committee also spend more time thinking about services like PayPal and other P2P service as complementary services for many households. Mr. McDonald asked the panel how the sampling was conducted. Mr. Goodstein explained that the survey used the sampling of the current population survey. He further commented that as the demographics of the country change, those changes are reflected to some degree in the behaviors seen in the survey, especially in accordance with age. Mr. Goodstein added that the head of the household is used to represent the household, so there may be some variation when referring to a household as a younger household or a college educated household.

Mr. Boston expressed interest in finding out whether unbanked or underbanked individuals have held that status long-term or if they are newly unbanked or underbanked. Mr. Boston also noted that it would be helpful to have information as to whether an individual is not saving because of an asset test based on a government subsidy. Mr. Boston further underscored the importance of the questions regarding bank interest in a household. Ms. Chu responded that the report contains more on the question of how interested banks are in serving a certain household. Mr. Goodstein responded to Mr. Boston's other points, stating that a few data points exist in connection with how long a household has been unbanked or underbanked.

Mr. Ryan questioned whether the panel saw differences in response rates among demographics and over the years generally. Mr. Ryan also asked whether the survey presents any opportunity to answer a question with an explanation or narrative. Ms. Lloro responded, explaining that there is a significant difference in response rates throughout all of the demographic categories, with households with lower education rates and income tending to have a lower response rate as they go through the survey than other groups. Ms. Lloro added that they did control for demographic characteristics. Mr. Goodstein followed-up Ms. Lloro's response by adding that for the households that do drop off from the survey response, those households are considered nonresponsive for purposes of the survey, and the survey results adjusted for that. Ms. Chu answered the question regarding narrative responses, explaining that many questions allow for some explanation by the participant.

Mr. Eakes asked if it would be possible to have hypotheses that can be tested about whether certain correlations lead to better outcomes or if the data does not allow for causality. Mr. Goodstein explained that the panel cannot comfortably say causality is possible, but he could say that the panel has noted qualitative differences amongst groups and can account for such information. Mr. Swagel commended the panel on the data collected. Mr. Weicher questioned where a money market mutual fund fits into the categories presented. Mr. Goodstein explained that the questions refer more generally to whether the respondent has a bank account, but there are follow-up questions that get more into specifics. However, he concluded by stating that when the survey refers to bank account, it includes all types of products, including money market mutual funds. Mr. Goodstein further noted that to the extent a household would have an account like a money market mutual fund and not also a checking or savings account from a bank, it is possible that the survey is overshooting slightly, but he suspects that that number is quite small.

Mr. Weicher asked for further clarification as to what is a bill as an individual is paying it. Mr. Goodstein explained that the preamble to that series of questions about how one pays bills explains what an individual should specifically be considering. Mr. Weicher commented that the fact that only seven or eight percent of fully banked households use cash demonstrates a large number of people who never use cash at all. Mr. Goodstein responded that at least for bills, households do not use cash, and over 90 percent of fully banked households only use bank methods. Mr. Cisneros expressed curiosity and interest about direct deposit information -- like what percentage of income a householder receives through direct deposit. Mr. Cisneros explained that the universe of individuals who do not use direct deposit at all are vulnerable and are of particular interest to him in regards to the data from the survey. Mr. Cisneros expanded his question to include whether the respondent had the choice for direct deposit or made the choice not to receive it, and what their income volatility looked like. Mr. Goodstein explained that there are no questions involving percent of income from direct deposit and agreed with Mr. Cisneros that it would be a good idea to look within the households and how their behaviors differ by whether they have direct deposit or not.

Mr. Goodstein clarified that when the survey speaks to differences across households and what the households are doing in terms of paying bills and receiving income, that has not all been accounted for. Adding new questions to that effect have been discussed. Mr. Barr reinforced the aforementioned statements by pointing out that in a study in Detroit, people did not use direct deposit as a result of their employer not offering it. Mr. Cisneros commented that the focus should shift to the employer in regards to direct deposit. Mr. Barr agreed, questioning the reason for the increase in bank status amongst African Americans. Mr. Goodstein could not respond directly to that question, but he did comment that the change over time is significant. Ms. Levere asked if the data considered gender, and Mr. Goodstein responded that the survey does not cut by gender, one of the reasons being that it is a household level survey, so it does not necessarily work to cut by gender for all households. Mr. Goodstein noted that more information is broken out on the website, with Mr. Weinstein adding that the appendix table has further information.

Mr. Miller then concluded the discussion by thanking the panelists and Committee before dismissing for lunch. Accordingly, at 11:35 a.m., the meeting stood in recess.

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The meeting reconvened at 1:06 p.m. with Keith Ernst, Associate Director of Consumer Research, DCP, moderating a panel on the implications of the Household Survey results discussed prior to the recess. Mr. Ernst then introduced Karyen Chu, Chief of Consumer Research, DCP, to discuss the implications that were drawn from the survey data. Mr. Ernst noted that the rest of the panelists are the same as the second panel this morning. Mr. Ernst also posed three questions for the Committee to consider during the presentation: (1) do any of these implications stand out as particularly compelling now, based on the data seen and the experiences of the Committee members?; (2) what are the key challenges to recognizing them?; and (3) what other opportunities are present in the data or from Committee members' experiences that the FDIC should be thinking about?

Ms. Chu began by discussing the six implications of the data, those being: (1) bank products and services that enable households to better manage their account relationships and meet their financial needs when income is volatile may help these consumers open and sustain bank accounts and conduct a greater share of the financial transactions in the banking system; (2) the use of smartphones to engage in banking activities continues to grow at a rapid pace, presenting promising opportunities to use the mobile platform to increase economic inclusion, but physical access to branches remains important; (3) one in five unbanked households saves for unexpected expenses, although for the most part not in insured depository institutions, demonstrating that bringing these savings into the banking system could allow for building relationships that help these households safeguard funds, enhance access to credit, and increase financial security; (4) banks may have the opportunity to meet the credit needs of some households that have an unmet demand for bank credit, with banks having opportunities to extend credit in the forms of credit cards or small-dollar personal loans, and the need to reach out to younger households that may have little to no credit history; (5) efforts to encourage and make it easier for a range of payees to accept electronic payments, and outreach to raise awareness of bill pay and other electronic payments among lower-income households, may facilitate the movement of these transactions into the banking system; and (6) the majority of unbanked households think that banks have no interest in serving households like theirs, and a significant number do not trust banks, which suggests that understanding and addressing the sources of these attitudes and building trust are important to developing relationships with unbanked consumers.

Mr. Weicher asked the panelists if there was a trend in the data from 2009 to now in connection with the use and ownership of transaction accounts. Mr. Goodstein responded that while a longer perspective is not possible for the FDIC data, the Surveys of Consumer Finance, going back to 1983, demonstrate a secular trend in terms of the unbanked rate decreasing. Mr. Weicher added that it is unquestioned that from 2007 to 2009, the unbanked rate cut in half, cutting the proportion without a transaction account by half in three years, demonstrating a trend down. Mr. Ernst commented that based on the data here, the gains from 2013 and 2015 are broadly spread throughout different population segments with no isolation in one or two segments.

Mr. Swagel thanked the panel for the data and discussion and remarked that trust in the banking system can be built proactively, meaning that when a bank does something wrong, the bank should come forward to proactively remediate and admit the wrongdoing. Mr. Swagel then asked whose job it is to ensure proactivity to reinforce trust in banking and commented that proactive remediation may be one way to bring the unbanked households into the system. Mr. Ernst left the question open to the table. Mr. Eakes spoke to Mr. Swagel's question, questioning whether his assessment is correct. Mr. Eakes responded that there are mechanisms now if a complaint is filed that are not easily ignored. Mr. Swagel expanded his comments by stating that he surmises that there is not a 100 percent linkage between filing a complaint to the Consumer Financial Protection Bureau ("CFPB") and that complaint actually showing up in the institution. Mr. Eakes responded that he feels the bigger gap between complaints is that most people do not know where to complain. Mr. Swagel agreed, stating that is what he meant by his comment on proactivity to increase trust.

Mr. Miller responded to the conversation between Mr. Eakes and Mr. Swagel, noting that all of the prudential regulators and the CFPB have worked together to redo the Consumer Compliance Rating System, which is now out for public comment. The new rating system will encourage banks to identify problems themselves and to remediate by providing restitution where appropriate. Mr. Murphy commented that any financial institution concerned about their brand will have a complaint resolution process, which should be aggressively managed as is the case at Mr. Murphy's institution. Mr. McDonald added that regulatory agencies have a strong follow-up system to complaints. Mr. McDonald continued by expressing his doubts that individuals do not know where to complain or what agencies to speak to when they think something has gone wrong with their accounts. Mr. McDonald felt there is a lack of education about the system itself that leads to this issue. Ms. Chu responded to that point, adding that while complaint resolution is important to consumers, trust is much broader than that, encompassing everything from how a consumer is treated when they walk in the door to whether they feel the bank has their interests at heart.

Mr. Murphy stated that unconscious bias plays a role in banking trust, and whether it is race or gender, sometimes the unconscious bias shows up in language, the way individuals communicate, and the way individuals do not communicate with each other. Mr. Murphy noted that sometimes the complaints have an underlying theme of unconscious bias, and he believes the Committee and the banking world should be aware of this dynamic. Mr. Annibale commented that while the industry has built platforms and a system that addresses many of the majority of the population well, it does not address everyone, so the Committee and the industry must think about what the next target is and how does trust get fostered in those communities. Mr. Boston noted that dialogue needs to occur between banks and their marketing and advertising groups in order to reach more of the population, especially minorities, in order to send out a more inclusive message.

Ms. Levere asked what the power of data is in giving people a different perspective on what the world is like, and how does this get connected. Ms. Levere explained that there are three concrete areas that the Committee and the industry can work together on expanding the knowledge space and how to integrate the data into tools that complement these issues, those being: (1) the data collected can be combined with other data to reflect more information, as is done at JPMorgan Chase; (2) the data presented presents an opportunity for the industry to increase trust and integrate the data into its institution; and (3) the set of individuals using FinTech and how FinTech products are not a substitute for a bank account, but a complement to it. Ms. McCoy commended the panel on viewing income volatility and how to smooth this volatility through techniques other than credit, a unique view in comparison to the financial services industry. Ms. McCoy continued by suggesting the panel conduct focus groups with unbanked consumers who are having income volatility issues and ask what would make a difference to them, apart from steady wages.

Mr. Barr complimented the panel on all of its work and agreed with Ms. McCoy that some of the tools to combat and manage income volatility include credit tools, insurance tools, and perhaps techniques to increase savings and FinTech. Mr. Barr suggested that the FDIC should consider policy in regards to FinTech and banks in order to address the issues between the two industries as FinTech expands. Mr. Barr also suggested that the FDIC focus on the policy areas of direct depositing and immediate or close to immediate funds availability and overdraft issues which play a part in income and expense volatility. Mr. Eakes expressed surprise on the accuracy of consumer perceptions in regards to bank interest and bank trust and criticized the issue of overdrafts, which adds to income volatility for low-income consumers. Mr. Eakes continued by explaining that he believes fixing these issues requires a discussion inside the banking industry to make resolutions and help low-income individuals.

Mr. Annibale noted that when looking at African American, Hispanic, and immigrant communities, intermediaries between the banks and the communities would be helpful to increase trust and translate the utility of a bank account to potential account holders. Mr. Eakes responded that the industry needs to increase bank presence and get rid of overdraft fees to increase bank trust and decrease income volatility amongst low-income consumers. Mr. Beck informed the Committee that his institution is funding research on the effect of income disruption, and offered to share the data in order to complement the data the FDIC has collected on income volatility and issues of trust. Mr. Ernst expressed his thanks for the offer. Mr. McDonald also offered his institution and the data that it has collected on consumers for use by the FDIC to supplement the data it has already collected. Again, Mr. Ernst expressed his thanks.

Mr. Cisneros thanked the panel for its hard work and commented on the importance of the data collected. Mr. Cisneros shared anecdotes of the success Bank On San Francisco has had in increasing banking trust through education, and expressed that if the industry can employ more trusted voices like individuals from the community or community organizations, this may help bridge the gap between the unbanked and underbanked and the banking industry.

Chairman Gruenberg commented that he was struck by the fact that of the 20 percent who did save money, nearly 70 percent effectively kept the money out of the banking system and in their home or with family. Chairman Gruenberg noted that this is a dramatic illustration of the threshold benefits of having a bank account, which can provide security for money and generate earnings off of the money saved. Chairman Gruenberg finished by stating that the numbers presented in the survey demonstrate the value of having access to an insured institution.

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Immediately following the third panel, Luke W. Reynolds, Chief of Outreach and Program Development, DCP, moderated the final panel on the FDIC's Youth Savings Pilot program, which created experiential learning opportunities for youths to become more financially aware. Mr. Reynolds then introduced panel member Ron Jauregui, Community Affairs Specialist, Outreach and Program Development, DCP, Julie M. Thurlow, President and Chief Executive Officer, Reading Cooperative Bank, Michelle Huddleston, Executive Vice President, Chief Operating Officer and Compliance Officer, Commercial Bank, and Susan Bistransin, Student Banking Coordinator, Parkdale High School.

Mr. Jauregui provided an overview of the pilot program, which has served as an aide to identifying promising practices in which banks can combine financial education delivery with access to savings accounts. Mr. Jauregui explained that the two-year pilot will culminate into a report to be issued near the end of this year to communicate the lessons learned and to convey the promising practices to banks and the industry. Mr. Jauregui discussed the three approaches taken by pilot banks: (1) school branch approach, in which bank employees work with student bankers who serve as customer service representatives and student tellers; (2) in-school banking approach, in which temporary banks are set up in schools and student volunteers operate the bank and take deposits; and (3) nearby branch visits, in which banks collaborate with school or nonprofit partners to provide financial education to students and parents while encouraging students to open a saving account. Some challenges that Mr. Jauregui noted were getting face time with students, winning over the parents to allow students to participate or open a savings account, and managing engagement with students as they move to higher grades and eventually graduate.

All pilot accounts offered students the opportunity to save, and some offered checking accounts and online or mobile features. Mr. Jauregui expanded further by noting that different banks instituted different account structures for the pilot program and also instituted different program features like opting to provide monetary and/or nonmonetary incentives to increase student participation. Mr. Jauregui added that teachers seemed more prone to be involved when they saw personal growth in their students. Mr. Jauregui explained that while improving the financial skills of the student population was the primary driver of efforts, the pilot provided tangential benefits of creating future bank customers and the potential for enhancing a student's academic performance. Mr. Jauregui concluded by explaining the criteria used in selecting the banks included on the presentation materials, that criteria being that the bank used the FDIC's Model Safe Accounts Template, the bank focused on the LMI demographic, and that the bank had a thoughtful onboarding process. Mr. Jauregui then introduced Julie Thurlow of Reading Cooperative Bank.

Ms. Thurlow began by explaining the student branches administered by Reading Cooperate Bank in Reading, Massachusetts. Ms. Thurlow noted that within her bank's market area is the city of Lawrence, which is a gateway city with a fair amount of unbanked and underbanked individuals in the market and which operates as more of a cash-based society. Ms. Thurlow explained that the Reading Memorial High School has a student-run branch, which pairs with a banking class. Ms. Thurlow highlighted that 99 percent of the students in the program go to college, and they often become employees of the bank. More recently, a branch opened in the Northeast Vocational High School, which is paired with a business program offered at the school. Ms. Thurlow explained that the bank offers checking accounts, savings accounts, online banking, and mobile banking, which has been extremely successful. Ms. Thurlow moved on to the final program the bank offers, the literacy program, which teaches life skills to sophomore aged students and up from opening a checking account, to interviewing for a job and filling out a resume among other important skills. The program sets savings goals, and students get a reward for meeting each goal. Ms. Thurlow concluded by discussing the challenges the bank has faced, including the limitation on the maximum number of transfers from savings to checking accounts has become an impediment for the students who transfer often, and the Bank Secrecy Act policies have caused many banks to not seek business at the school.

Ms. Huddleston began her presentation by providing an overview of her institution, Commercial Bank, in Harrogate, Tennessee. Smart Cents is the bank's program created in the 2015-2016 school year that partners the bank, Harlan County, and the Kentucky Public School system to offer students a savings account with incentives partnered with each deposit and to teach financial education to students. The program is now in its second year, with 200 accounts opened in its first year, only one closing as a result of a student moving out of the district, and an additional 125 opening after one month into the school year. In regards to the educational aspect, Ms. Huddleston discussed the issue of teachers not wanting to give up time with their students, which the bank has addressed by sending bank employees to the classrooms to teach students themselves. Ms. Huddleston continued by explaining one major issue the bank has faced is students' families who are not supportive of the program for a number of different reasons, including the child is being raised by someone other than a parent who does not have enough energy or resources for the student to participate, and the children are concerned that the parent will use the money put in the accounts. Ms. Huddleston highlighted the bank's efforts in marketing which focused on fostering the students' interest in the program like incorporating punch cards for each deposit and teaching and involving the student early in their educational life. Ms. Huddleston concluded by thanking the Committee for the opportunity to share the program with the Committee.

Ms. Bistransin opened by identifying herself as a consumer sciences teacher at Parkdale High School in Prince George's County, Maryland. The program, which is administered through

Capital One, connects students with banking professionals for mentoring opportunities and helps develop the student's career awareness and work readiness skills. In addition, the program provides college preparatory guidance. Ms. Bistransin explained that there are four facets of the program, the first being that students go through a rigorous interview program as juniors, with ten students being chosen and beginning their training in the summer. Students also partner and work on a budgeting project, which demonstrates the program's dedication to teaching real-life skills and applying these skills to practical scenarios. The third facet is the college preparation which Capital One provides a dedicated college advisor to aid students. The final facet is providing the participating students with the responsibility of sharing their financial knowledge, preparing lessons, and teaching their peers about different financial topics. Ms. Bistransin explained that students spend time working at the student-run branch, provide advertising in the school's video announcements, and provide peer-to-peer education inside the classroom. This program allows students to act as real bank tellers, with the same responsibilities tellers have. Students are subject to rigorous educational standards, and the program has already shown success in helping students improve their grades. Ms. Bistransin concluded by thanking the Committee for their interest.

Mr. Reynolds reminded the Committee that in February 2015, the FDIC, FinCEN, and other regulators issued guidance to encourage financial institutions to participate in youth savings programs. Mr. Reynolds explained that the guidance answers a number of questions that institutions frequently asked. Mr. Reynolds then opened the floor for questions. Mr. Cisneros praised the pilot as inspirational and noted that there is a program in San Francisco called Summer Jobs Connect, which has faced the issue of finding banks that are willing to open noncustodial accounts for youths under 18 years old. Mr. Cisneros expressed his interest in continuing to work together to expand access and asked the panelists if they could provide any insight on how they have dealt with the risks associated with these deposits. Ms. Thurlow responded that the fact that the bank is small, and its markets are close by, likely plays a role, so the bank is able to send two people to log information and then have it revalidated in the main office. Ms. Thurlow further explained that there is also a deposit slip and handwritten receipt for the customer for these transactions.

Mr. Cisneros again commended the panel for its work and extended the question to all panelists. Ms. Huddleston commented that her bank follows the same practice. Mr. Boston questioned the size of deposits and the parents' interaction with the bank. Ms. Huddleston explained that the average balance at the end of the year is around to \$25 to \$30, but the number fluctuated both ways. As to Mr. Boston's second question, Ms. Huddleston noted that while there is a lot of hesitation by parents, the bank is seeing schools expressing more interest and asking for more parental educational opportunities. Ms. Levere next expressed her admiration for the panelists and their presentations and asked how many students had an account prior to the program. Ms. Thurlow explained that at Lawrence Public High School, there were no previously opened accounts, the likely reason being that the language at the school is primarily Spanish, and the banking industry has not met them halfway with providing Spanish documentation. Ms. Thurlow added that she hopes that by working with the children, this will allow the information to flow up to the parents. Ms. Huddleston responded that while the bank did not track this number, she would estimate that a large percentage did not have one prior to the program. Finally, Ms. Bistransin explained that with this program, they opened 100 accounts in a 2,100 student body.

Mr. Annibale expressed interest in what is done for students who are undocumented and do not have a social security number. Ms. Thurlow responded that while she has not been faced with this issue, she has heard of using the Individual Taxpayer Identification Numbers for those who lack a social security number. Ms. McCoy expressed curiosity about the noncustodial accounts and asked what the bank considered in going one direction or the other with their banking programs. Ms. Thurlow explained that the accounts were structured in order to disallow overdrafts and minimize losses and emphasized the importance of financial literacy. Ms. Huddleston added that the reason the bank requires a custodial relationship is due to the age of the students as well as state law considerations. While there is some flexibility, these considerations are still central to the decisions the bank makes.

Mr. Eakes questioned what ages the programs focus on and what the differences are among the age groups. Ms. Huddleston explained that there has not been much success in the fifth through eighth grades, and as a result, the bank now focuses most on the efforts in the third, fourth and fifth grades who are more willing and excited to participate. Ms. Bistransin noted that her program focuses on strictly high school aged students. Ms. Thurlow answered that there are two programs, the Savings Makes Cents programs for elementary school children and then another program for high school students. Mr. Eakes noted that the programs do not include middle school students, and Ms. Huddleston added that students that participated in the fourth grade continued to participate in the fifth grade, which lent to an element of trust in the bank.

Chairman Gruenberg asked each panelist about the role of the school district in the banking programs and whom approached whom when developing and administering the program. Ms. Bistransin answered that Capital One has opened four student branches and continues to expand in the D.C. Metro area. Capital One presented the program to the school, and the principal pursued the program with the continued support of the school board. Ms. Huddleston explained that the bank approached the school system, which immediately sought to administer the program, with some hesitation at the classroom level. Ms. Thurlow discussed the superintendent of schools in Reading reaching out to the bank, which was followed by a call from the superintendent of the vocational school. Chairman Gruenberg thanked the panelists, and Mr. Ryan continued the discussion by acknowledging the importance of a network of programs and his interest in working with the issue of state law as an impediment to these types of programs by providing his organization's research on the state laws to the Committee and panelists. Mr. Annibale noted that for national banks, the state law also causes conflicts and expressed interest in seeing the state-by-state law citations that Mr. Ryan's organization has collected.

Chairman Gruenberg thanked the panel for their presentation and stated that the Committee would follow up on all of the issues discussed. Chairman Gruenberg thanked the Committee for their participation and attendance.

There being no further business, the meeting was adjourned at 3:22 p.m.

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

Minutes

of

The Meeting of the FDIC Advisory Committee on Economic Inclusion

of the

Federal Deposit Insurance Corporation

Held in the Board Room

Federal Deposit Insurance Corporation Building

Washington, D.C.

Open to Public Observation

October 20, 2016 - 9:00 A.M.

I hereby certify that, to the best of my knowledge, the attached minutes are accurate and complete.

Martin J. Gruenberg
Chairman
Board of Directors
Federal Deposit Insurance Corporation