

Key Note Address: Kara Ritchie, FDIC Acting Assistant Regional Director

At the **CT Economic Inclusion Forum, July 23, 2013**

Good morning! Thank you for joining us today at this important forum.

For those of you who do not know me, I am Kara Ritchie. I have worked for the FDIC for just over 20 years, starting as a bank examiner trainee.

I am currently the Acting Assistant Regional Director in the New York Region at the FDIC. As the Acting ARD, I oversee the offices that examine FDIC-supervised banks throughout New England.

Some of you know Alice Beshara, who is our Assistant Regional Director. Alice is filling in for another employee on the west coast, so while she is away, I am filling in for her.

When I am not acting as “Alice,” my “real” job is Field Supervisor. My job is to manage the exam teams that conduct consumer protection and CRA examinations at banks in CT, RI, and portions of MA.

For those of you who are not bankers or not regulators, one of our responsibilities at the FDIC is to examinations for compliance with consumer protection laws and regulations and for Community Reinvestment Act examinations at our FDIC-supervised institutions. We have teams of examiners that periodically go out to banks and conduct the exams.

Within the FDIC, there is a division that is responsible for consumer protection and CRA exams – we are called the Division of Deposit and Consumer Protection, or DCP.

While one of our primary responsibilities at the FDIC is to examine and supervise financial institutions for consumer protection as well as safety and soundness, we do much more than exam and supervise banks. We also support our community banks in their efforts to extend credit and provide financial services to consumers. Within DCP, we do this by working together (with community affairs staff and consumer affairs staff) to provide education, support, and services for our banks, their communities, and consumers.

One of the FDIC’s primary corporate objectives during the last several years has been Economic Inclusion. Simply put, Economic Inclusion is ensuring that people in the U.S. who have little or no current relationship with a financial institution are included within the mainstream financial system.

Regardless of what our job duties are within DCP, all DCP employees are working together to ensure that Economic Inclusion becomes a reality for those consumers who remain outside or on the fringe of our mainstream financial system.

As a FDIC employee, Economic Inclusion is a topic that I have heard frequently discussed, particularly over the last several years. However, in preparation for today’s forum, I wanted to spend some time

reading more about Economic Inclusion. There is a lot of information out on our website with links to other sites and information regarding Economic Inclusion.

Our agency has been working toward ensuring reasonable access to full service banking and other financial services for all consumers. I personally have observed this work first-hand, by watching Tim and his dedicated team in Community Affairs work extensively with community groups, banks, local, state, and federal counterparts throughout New England, seeking ways to improve Economic Inclusion for all consumers.

While I was reading about Economic Inclusion, one particular thought stayed with me: it seemed foreign to me that anyone would not bank at an insured depository institution. Not only is this the system I have worked in for just over 20 years, this is the financial system I grew up in.

I thought back on growing up. I remember as a child, my mother would take me to the bank to deposit money into my passbook savings account. It was very exciting to get my passbook out. I would go to my jewelry box and take it out to get ready to go to the bank. I still remember it – it was a gold book with a gold seal on the front of it with my name typed on the inside with my account number. At the bank, it was exciting to go to the teller line, wait my turn, and then hand over my passbook with my deposit of holiday or birthday money to the teller. I remember feeling very proud to put my money into my account. I got a lollipop too, so that was also great!

I also remember my grandparents telling me to make sure I put money in the bank to keep it safe and to save it. They seemed to always emphasize the need to keep it safe and to save it. I came to find out later that this was because they lived during the Great Depression. And one of my grandparents – my grandmother - was the child of immigrants who come from Italy to this country to earn a living. Keeping and saving money in an insured depository institution were very important because my grandparents - and their parents - experienced a very different financial system when they were growing up. They wanted me to have the advantages of this system that they had not experienced as a child.

During these reflections, I realized that I have taken for granted that I operate within the mainstream – I have never not banked through an insured financial institution. However, for many, the mainstream is unfamiliar and foreign – just as the alternative financial system is to me.

So how do we bring these consumers into the mainstream – into the insured depository system – and make it so that the alternative financial system they have been operating in becomes foreign to them and for their generations to come?

That is ultimately why we are all here today.

Through today's forum we will:

- Gain insights on the status of the economy and how it impacts Economic Inclusion.
- Broaden our understanding and familiarity with Economic Inclusion.
- Learn about activities that promote Economic Inclusion.

- Understand each of our roles in Economic Inclusion – as banks, as community organizations, as government agencies.
- And most importantly, how we can all work together to bring those consumers outside the mainstream financial system in, so they can build savings, improve their credit, and gain access to financial services that promote asset accumulation.

Let's take the opportunity today to learn about consumers outside the mainstream – those who are the unbanked (which are consumers who rarely, if ever, had an transaction account at an insured depository institution) – and the underbanked (which are consumers who have a transaction account but still use non-bank services (such as, for example, using a non-bank checking casher)).

Together we can bring unbanked and underbanked consumers into the financial mainstream, expanding access to banking services to these underserved populations, ultimately improving access to safe, secure, and affordable banking services.

I hope you all enjoy today's forum. I am happy to be here and will be more than happy to answer any questions you may – now, during the day, or afterwards.

Thank you.