

Chief Counsel's Office
Attn: Comment Processing
Office of the Comptroller of the Currency
400 7th Street, SW, Suite 3E-218
Washington, DC 20219

Docket ID: OCC-2022-0002

To Whom It May Concern,

Introduction

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.

A specific banking access focus, as proposed in the Retail Services and Products Test, is not an off-topic expansion to the encouragement of financial security aimed at home ownership, but rather a foundational element for individual economic stability and growth. Evidence from our network of [Financial Empowerment Center](#) (FEC) municipal partners reveals that even working repeatedly with a professional financial counselor, people without a mainstream bank or credit union account were only [half as likely](#) to be able to save money, and only one third as likely to be able to improve their credit score, compared to those with accounts; moreover, those counseling clients who newly opened a mainstream account then became eight times more likely to improve their finances than those who did not.

We have found in our work leading the national [Bank On initiative](#) that the financial institution industry increasingly is responding to the importance of providing safe and affordable consumer banking accounts and supporting local, state, and national partnerships that address individual financial barriers as key ingredients to an effective overall financial inclusion strategy. We support these proposal's efforts to credit such investments so specifically and significantly in the CRA examination process.

The CFE Fund

The CFE Fund is a national nonprofit organization that has worked with over 100 cities and counties to help them implement large-scale, systemic financial empowerment initiatives for their residents, including access to safe and affordable banking accounts, one-on-one financial counseling, asset building, and consumer financial protection.

Bank On

The CFE Fund's national Bank On initiative is a multi-sector partnership to create pathways for un- and underbanked individuals to enter, or re-enter, the financial mainstream. At the core of the initiative are the [Bank On National Account Standards](#) for basic banking accounts, that are designed to address critical pain points for consumers and limit risk for financial institutions. Certification under the Standards prohibits overdraft or insufficient fund fees and requires low monthly fees, a low opening deposit, and bill pay functionality. The 15 required core features in the Standards address the issues identified by the FDIC as primary reasons that individuals are unbanked. The CFE Fund also supports more than 95 local Bank On coalitions across the country to expand banking access and connect consumers to these Bank On certified accounts.

Retail Products and Services Test

We enthusiastically support the proposal of the new Retail Services and Products Test that would evaluate a bank's branch and remote service availability, delivery systems including online account opening functionality for new customers, and the responsiveness of credit and deposit products to the needs of LMI communities. We also appreciate the highlighting of the CFE Fund's Bank On National Account Standards as an example of a responsive deposit product.

This new Test would reflect and support a thriving new market of safe and appropriate consumer transaction accounts among regulated financial institutions. Nearly 250 financial institutions now have accounts certified as meeting Bank On Standards, from the 8 largest banks in the country to some of the very smallest. According to FDIC data, financial institutions with Bank On certified accounts already comprise over 56% of the national deposit market share. More than 46,000 branches in every state and Washington, D.C. offer certified accounts – nearly 50% of all bank branches in the country, in fact.

With respect to the implementation of the new Retail Services and Products Test we make the following three suggestions:

1. We encourage the agencies to evaluate all large banks for the responsiveness of their deposit products, rather than only those with assets in excess of \$10 billion. This is not a cumbersome inquiry. Already, 144 large banks, including 75 with assets between \$2 and \$10 billion, have a product that is certified as meeting the Bank On National Account Standards.
2. Similarly, we suggest that banks in the "intermediate" asset size threshold should be provided a formal option for electing the Retail Services and Products Test, similar to how intermediate banks are being offered the option to be evaluated under the Retail Lending Test or the Community Development Financing Test. Already, 30 intermediate-size banks have a product certified as meeting the Bank On National Standards. As such, this slightly expanded evaluation framework would better support the existing momentum of the growing market of safe and appropriate retail products for LMI communities.
3. Finally we encourage the agencies to examine the [Federal Reserve Bank of St. Louis' \(FRBSTL's\) Bank On National Data Hub](#) as an example of key, workable metrics for examiners to assess the robustness of financial institution account engagement for customers, particularly those they newly bank. The FRBSTL Data Hub annually collects 25 separate and specific metrics at the zip code level related to account opening, usage and

consistency, and online access including the number of accounts opened and closed, number of new customers, and digital activity.


Community Development and Financial Literacy Activities

We appreciate and support the agencies' proposal to create a separate definition for activities that assist individuals and families to make informed decisions about managing income, savings, credit, and expenses that is distinct from other community development services. This emphasis recognizes the critical role that a strong financial foundation plays in the success of broader community development efforts. The proposed illustrative list of qualifying activities is also a tremendous opportunity to encourage investment in financial literacy activities that align with and are more measurably responsive to the needs of LMI communities. To that end, we suggest highlighting financial literacy activities that produce measurable impacts, and that address key financial indicators such as banking access, credit score improvement, debt reduction, and savings increases.

Conclusion

The CFE Fund greatly appreciates the opportunity to provide our feedback, and we are proud to support the agencies' coordinated approach to revising the CRA implementing regulations, particularly those with an eye toward better incentivizing measurable consumer retail transaction services and products.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jonathan Mintz', with a stylized flourish at the end.

Jonathan Mintz
President and Chief Executive Officer
Cities for Financial Empowerment Fund