

2011 Current Fiscal Year Report: FDIC Advisory Committee on Economic Inclusion

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1. Department or Agency	2. Fiscal Year
Federal Deposit Insurance Corporation	2011
3. Committee or Subcommittee	3b. GSA Committee No.
FDIC Advisory Committee on Economic Inclusion	30785

4. Is this New During Fiscal Year?	5. Current Charter	6. Expected Renewal Date	7. Expected Term Date
No	12/20/2010	12/20/2012	

8a. Was Terminated During Fiscal Year?	8b. Specific Termination Authority	8c. Actual Term Date
No		

9. Agency Recommendation for Next Fiscal Year	10a. Legislation Req to Terminate?	10b. Legislation Pending?
Continue		

11. Establishment Authority	Agency Authority		
12. Specific Establishment Authority	13. Effective Date	14. Committee Type	14c. Presidential?
November 2, 2006, Board Resolution	11/02/2006	Continuing	No

15. Description of Committee National Policy Issue Advisory Board

16a. Total Number of Reports No Reports for this Fiscal Year

17a. Open 3 **17b. Closed** 0 **17c. Partially Closed** 0 **Other Activities** 0 **17d. Total** 3

Meetings and Dates

Purpose	Start	End
Childrens' Savings, Underserved Studies, and Policies and Project Updates.	11/16/2010	11/16/2010

Principles for LIM Mortgage Lending;
Teaching Financial Education; and Policy and Project Updates 03/02/2011 - 03/02/2011

The Status of LMI Household Finances; The
Way Forward: The Future of Economic
Inclusion Efforts—Technology and
Innovations; Presentation of the of
Chairman's LMI Award Discussion of Their
Programs 06/02/2011 - 06/02/2011

Number of Committee Meetings Listed: 3

	Current FY	Next FY
18a(1). Personnel Pmts to Non-Federal Members	\$0.00	\$0.00
18a(2). Personnel Pmts to Federal Members	\$0.00	\$0.00
18a(3). Personnel Pmts to Federal Staff	\$60,477.00	\$72,572.00
18a(4). Personnel Pmts to Non-Member Consultants	\$0.00	\$0.00
18b(1). Travel and Per Diem to Non-Federal Members	\$50,500.00	\$60,172.00
18b(2). Travel and Per Diem to Federal Members	\$0.00	\$0.00
18b(3). Travel and Per Diem to Federal Staff	\$0.00	\$0.00
18b(4). Travel and Per Diem to Non-member Consultants	\$0.00	\$0.00
18c. Administrative Costs (FRNs, contractor support, In-person/hybrid/virtual meetings)	\$0.00	\$0.00
18d. Other (all other funds not captured by any other cost category)	\$38,415.00	\$46,098.00

18e. Total Costs	\$149,392.00	\$178,842.00
19. Federal Staff Support Years (FTE)	0.70	0.70

20a. How does the Committee accomplish its purpose?

The scope and objectives of the Committee are to provide advice and recommendations on initiatives to expand access to banking services by underserved populations. The Committee will review various issues that may include, but not be limited to, basic retail financial services such as check cashing, money orders, remittances, stored value cards, short-term loans, savings accounts, and other services to promote asset accumulation and financial stability. The Committee, as appropriate, offers advice and recommendations regarding the issues considered through discussions and appropriate motions at open committee meetings.

20b. How does the Committee balance its membership?

Members will be appointed who can effectively represent the varied and diverse interests affected by the issues to be considered. Members will represent a cross-section of interests from the federal government, banking industry, state regulatory authorities, consumer or public advocacy organizations, community-based groups, as well as others impacted by banking-related practices.

20c. How frequent and relevant are the Committee Meetings?

Estimated Number of Meetings per Year – At least 2.

20d. Why can't the advice or information this

committee provides be obtained elsewhere?

The Committee would be utilized to gather information and data on those issues impacting the access to and participation in the banking system by individuals from underserved populations which in turn will help the FDIC to better identify and prioritize issues of concern, and if necessary, to develop and implement strategies and methods to improve banking access and offerings to underserved populations. Information would be gathered that would assist the agency in evaluating its effectiveness in improving the delivery of financial services to the underserved communities and in dealing with the entities it regulates, including the costs and benefits associated with existing regulations and the efficiency of supervisory methods currently employed. The Committee may explore policy options for changes in statutes, regulations, or supervisory practices or procedures that will better secure the public policy goals of delivering financial services more efficiently and at less cost if possible to a broader spectrum of individuals while maintaining a safe, competitive and innovative banking system.

20e. Why is it necessary to close and/or partially closed committee meetings?

N/A

21. Remarks

Designated Federal Officer

Roberta K McInerney Deputy General Counsel

Committee Members	Start	End	Occupation	Member Designation
Barr, Michael	07/14/2009	12/20/2012	Professor of Law, University of Michigan Law School	Representative Member

Beck, Ted	03/28/2007	12/20/2012	President and CEO, National Endowment for Financial Education	Representative Member
Boston, Kelvin	03/28/2007	12/20/2012	President, Boston Media	Representative Member
Eakes, Martin	03/28/2007	12/20/2012	Chief Executive Officer, Self-Help Credit Union, Central North Carolina Region	Representative Member
Fish, Lawrence	03/28/2007	12/20/2012	Former Chairman and Chief Executive Officer, Citizens Financial Group, Inc.	Representative Member
Flake, Floyd	03/28/2007	12/20/2012	Senior Pastor and College President, The Greater Allen A.M.E. Cathedral of New York	Representative Member
Fuchs, Ester	03/28/2007	12/20/2012	Professor, School of International and Government Affairs, Columbia University	Representative Member
Henderson, Wade	03/28/2007	12/20/2012	President and CEO, Leadership Conference on Civil Rights	Representative Member
McDonald, Alden	03/28/2007	12/20/2012	President and CEO of Liberty Bank and Trust Company, New Orleans, LA	Representative Member
Murphy, Bruce	07/17/2009	12/20/2012	Executive Vice President/President of Community Development Banking, KeyBank, N.A.	Representative Member
Orozco, Manuel	03/28/2007	12/20/2012	Senior Associate, Inter-American Dialogue	Representative Member
Rimel, Rebecca	06/07/2010	12/20/2012	President and CEO, The Tew Charitable Trusts	Representative Member
Ryan, John	03/28/2007	12/20/2012	Executive Vice President, Conference of State Bank Supervisors	Representative Member

Shepherd, J. Michael	07/14/2009	12/20/2012	President and CEO, Bank of the West and BankWest Corporation	Representative Member
Steel, Robert	07/21/2009	12/20/2012	Deputy Mayor for Economic Development, City of New York	Representative Member
Taylor, Diana	03/28/2007	09/27/2011	Wolfensohn & Company, L.L.C.	Representative Member
Tufano, Peter	03/28/2007	12/20/2012	Peter Moores Dean and Professor of Finance, Said Business School, Oxford University	Representative Member
Warren, Elizabeth	03/28/2007	10/11/2010	Leo Gottlieb Professor of Law, Harvard Law School	Representative Member
Wright, Deborah	03/28/2007	12/20/2012	Chairman and CEO, Carver Bancorp, Inc.	Representative Member

Number of Committee Members Listed: 19

Narrative Description

The advisory committee supports the FDIC through its advice and recommendations on initiatives to expand access to banking services by underserved populations. The committee reviews various issues that may include, but not be limited to, basic retail financial services such as check cashing, money orders, remittances, stored value cards, short-term loans, savings accounts, and other services to promote asset accumulation and financial stability. The committee, as appropriate, will offer advice and recommendations regarding the issues considered.

What are the most significant program outcomes associated with this committee?

Checked if
Applies

- Improvements to health or safety
- Trust in government
- Major policy changes
- Advance in scientific research
- Effective grant making

- Improved service delivery
- Increased customer satisfaction
- Implementation of laws or regulatory requirements
- Other

Outcome Comments

NA

What are the cost savings associated with this committee?

Checked if Applies

- None
- Unable to Determine
- Under \$100,000
- \$100,000 - \$500,000
- \$500,001 - \$1,000,000
- \$1,000,001 - \$5,000,000
- \$5,000,001 - \$10,000,000
- Over \$10,000,000
- Cost Savings Other

Cost Savings Comments

NA

What is the approximate Number of recommendations produced by this committee for the life of the committee?

7

Number of Recommendations Comments

At the March 28, 2007, advisory committee meeting, the committee recommended that the FDIC adopt a proposal for a pilot project to expand the availability of reasonably-priced small-dollar loans offered by financial institutions. At its March 19, 2008, meeting, the committee explored ways to supplement the FDIC's existing efforts to encourage asset-building among low- and moderate-income households. At the July 9, 2008, meeting, the committee made five asset-building recommendations. At the July 9, 2008, meeting, the committee made a recommendation covering five asset building areas. At the February 5, 2009, meeting, the committee recommended that the issues and challenges discussed by the committee to increasing access to the financial mainstream

by the underserved communities and low- and moderate-income consumers be compiled in a report. At its July 30, 2009, meeting, the committee recommended that the report be made available by the FDIC to the public. At the April 1, 2010 meeting, the committee recommended solicitation of public comment on templates for safe, low-cost transactional and savings deposit accounts for consumers. Also at the April 1, 2010 meeting, the committee adopted a Strategic Plan, which focuses the committee's work in five distinct program areas: transactional accounts, savings, affordable credit, financial literacy, and incentives. At the June 24, 2010 meeting, the committee recommended that the FDIC adopt the Small-Dollar Loan Template and endorse and promote the small-dollar loan program. At the June 2, 2011, meeting, the committee explored the state of economic inclusion and the way forward. Among the panelists were the recipients of the FDIC Chairman's Award for Excellence in Serving the Needs of Low- and Moderate-Income Consumers. At that meeting, a committee member asked that the FDIC make available to the ranking members of the House and Senate banking committees, information regarding the LMI award recipients' programs. Though this was not a formal recommendation of the full committee, the FDIC did make the information available to appropriate congressional staffers immediately prior to the June 2, 2011, meeting.

What is the approximate Percentage of these recommendations that have been or will be Fully implemented by the agency?

75%

% of Recommendations Fully Implemented Comments

On June 19, 2007, the FDIC's Board of Directors approved a two-year pilot project to evaluate effective business models used by participating financial institutions in offering affordable small-dollar loans to consumers. Best practices resulting from the pilot were identified and became a resource for other institutions. The pilot was launched in February 2008, with an initial group of 31 banks of varied sizes and diverse locations. The pilot was intended to be a case study to identify and disseminate information to banks and others on replicable business models and best practices for small-dollar loans, including ways to offer small-dollar loan customers other mainstream banking services. On September 4, 2008, the FDIC issued a Financial Institution Letter (FIL) entitled Best Practices from the Forum on Mortgage Lending for Low- and Moderate Income Households. On October 8, 2009, the FDIC made available on its website the committee report on the issues and challenges to increasing access to the financial mainstream by the underserved communities and low- and moderate-income consumers. On May 7, 2010, the FDIC published for comment templates for safe, low-cost transactional and basic savings accounts. The FDIC received forty-seven comments by the June 6, 2010 deadline. The comments were considered by FDIC prior to revising and combining the

templates, which were presented at the June 24, 2010 committee meeting. The comments are available on the FDIC's website. On June 24, 2010, the FDIC endorsed the small-dollar loan pilot in a press release. The FDIC has also published an article on the topic to promote the results of the pilot. On August 10, 2010, the FDIC approved the Model Safe Accounts Pilot to evaluate the feasibility of insured depository institutions offering safe, low-cost transactional and savings accounts. The pilot accounts are based in large part on the templates discussed at the June 24, 2010 committee meeting. The pilot was launched on January 1, 2011, with nine financial institutions offering accounts in the one-year pilot.

What is the approximate Percentage of these recommendations that have been or will be Partially implemented by the agency?

25%

% of Recommendations Partially Implemented Comments

The recommendations regarding ways to supplement the FDIC's existing efforts to encourage asset-building-among low- and moderate-income households and the five asset-building recommendations are in various stages of review by the committee and the FDIC. Two of the asset-building recommendations were implemented, and one asset-building recommendation required no further agency action in order to implement it.

Does the agency provide the committee with feedback regarding actions taken to implement recommendations or advice offered?

Yes No Not Applicable

Agency Feedback Comments

The advisory committee was specifically advised through written communications and at meetings.

What other actions has the agency taken as a result of the committee's advice or recommendation?

Checked if Applies

- | | |
|-----------------------------------|-------------------------------------|
| Reorganized Priorities | <input type="checkbox"/> |
| Reallocated resources | <input type="checkbox"/> |
| Issued new regulation | <input type="checkbox"/> |
| Proposed legislation | <input type="checkbox"/> |
| Approved grants or other payments | <input type="checkbox"/> |
| Other | <input checked="" type="checkbox"/> |

Action Comments

See above comments under What is the Approximate Percentage of These Recommendations That Have Been Or Will Be Fully Implemented By the Agency.”

Is the Committee engaged in the review of applications for grants?

No

Grant Review Comments

NA

How is access provided to the information for the Committee's documentation?

Checked if Applies

- Contact DFO
- Online Agency Web Site
- Online Committee Web Site
- Online GSA FACA Web Site
- Publications
- Other

Access Comments

Access to committee information may be obtained from the CMO and also is available in the FDIC Public Information Center.