

James P. Sheesley, Assistant Executive Secretary  
Attention: Comments—RIN 3064–AF26  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street NW  
Washington, DC 20429

Mr. Sheesley,

## **Introduction**

The [Cities for Financial Empowerment Fund](#) (CFE Fund) writes in response to this request for comment on the revised rules governing the use of the Federal Deposit Insurance Corporation's (FDIC's) official sign and statements about deposit insurance. The CFE Fund strongly supports the FDIC's broad effort to ensure that consumers understand when they are engaging with an Insured Depository Institution (IDI) and to specifically address scenarios where consumers could be misled about deposit insurance coverage. In addition, we encourage the FDIC to implement both a coordinated consumer awareness effort and a robust compliance and enforcement strategy to ensure a fair and transparent marketplace for banking account products.

Our own work on this issue of IDI account ownership is rooted in the understanding that IDI accounts are a foundational element for individuals and families working to achieve financial stability and growth. Evidence from our network of dozens 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 are only *half as likely* to be able to save money, and only *a 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 IDI account then become *eight times more likely* to improve their finances as compared to those who did not open an account.<sup>1</sup>

## **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.

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 and inspired by the FDIC's own work on safe accounts. Certification under the Standards prohibits overdraft or insufficient fund fees and requires low monthly fees, a low opening deposit, bill pay functionality, and deposits to be insured by an IDI or regulator-sanctioned

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<sup>1</sup> <https://cfefund.org/wp-content/uploads/2017/09/FEC-Eval-Banking-Status-Brief.pdf>

equivalent. The CFE Fund runs both national and local programs to connect people to these Bank On certified accounts and supports nearly 100 local Bank On coalitions across the country in their work to expand banking access and connect consumers to these certified accounts.

The direct experience of our dozens of municipal FEC counseling partners as well as Bank On coalition leaders has made clear that clients considering opening an account are often confused or do not recognize the critical differences between IDI and non-bank providers of banking accounts. Confusion or obfuscation includes whether the non-bank is or is not a bank, the extent of regulatory oversight and consumer protections, whether and when deposits are FDIC insured, customer service responsibilities, and what happens to funds access should a non-bank provider experience an interruption in services or shut down.

While we have developed training for financial counselors and coalitions to assist in articulating these critical differences for their clients, we share the concern underlying the proposed rules that the array of complexities and misperceptions could undermine public confidence in the safety and reliability of the mainstream banking system for many consumers, particularly those operating on the margins. Particularly since the national experience of witnessing the closure of Silicon Valley Bank and Signature Bank, we feel strongly that consumers need reassurance and non-misleading information that would both keep them in financially stabilizing IDI's and continue the momentum of banking those currently outside of that system.

We applaud the FDIC's proposed approach to creating clear rules for use of its signage and identifying specific circumstances under which non-bank use of FDIC terms and signage would constitute a misrepresentation. To ensure effective implementation of the proposed rules we offer two suggestions:

1. Create a coordinated consumer awareness campaign that leverages both the FDIC's extraordinary recent bank deposit rescue work and its successful #GetBanked strategy.
2. Develop a robust compliance and enforcement strategy that focuses on non-bank usage of FDIC signage and misrepresentations of deposit insurance coverage.

The CFE Fund greatly appreciates the opportunity to provide our feedback, and we are proud to support the FDIC's efforts to support a stronger, safer, and more transparent marketplace for banking accounts.

Sincerely,



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