

Andrea Gacki, Director  
Financial Crimes Enforcement Network  
P.O. Box 39  
Vienna, VA 22183

Docket No. FINCEN-2024-0009

Dear Director Gacki,

### **Introduction**

The [Cities for Financial Empowerment Fund](#) (CFE Fund) writes in response to this request for information on the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) proposal to update the process for reporting full Social Security Numbers (SSNs) for banking enrollment. Through our work supporting municipalities across the country to develop and implement strategies to improve financial stability, such as one-on-one financial counseling and banking access integrations, we have seen how inconsistently applied and burdensome identification requirements can be a significant barrier to joining the mainstream financial system for a range of unbanked populations, including young adults, recent immigrants, and other marginalized communities. To better serve these populations, we encourage FinCEN to take this opportunity to clarify for financial institutions the acceptability of alternative identification methods including municipal government IDs, public school IDs, consular IDs, or other government-based documentation that verifies an individual's identity as a requirement for public program or service participation.

### **The CFE Fund**

The CFE Fund supports efforts to improve the financial stability of households by leveraging opportunities unique to local government. By translating cutting-edge experience with large-scale programs, research, and policy, the CFE Fund assists mayors and other leaders in over 100 cities, counties, and states to identify, develop, fund, implement, and research pilots and programs that help families build assets and make the most of their financial resources. Efforts include access to safe and affordable banking accounts, one-on-one financial counseling as a public service, asset building, and consumer financial protection. The CFE Fund has disbursed over \$66 million in grant support to local government partners.

### **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 both address critical pain points for consumers, such as lack of transparent pricing and surprise fees, and to limit risk for financial institutions. Certification under the Standards prohibits overdraft or insufficient funds fees and requires low monthly fees, a low opening deposit, and robust functionality like bill pay. The required core features in the Standards address the issues identified by the [Federal Deposit Insurance Corporation \(FDIC\)](#) as primary reasons that individuals are unbanked. In addition, the Standards include several “strongly recommended” account features such as acceptance of alternative IDs; this strongly recommend feature was included in response to the 11% of FDIC survey respondents that noted lack of identification as a reason for being unbanked.

Banking access initiatives, particularly those that leverage government programming, work at scale – and supporting these connections is well worth the effort. There are currently almost 450 accounts certified as meeting the Bank On National Account Standards, at financial institutions representing over 66% of the national deposit market share. According to the Federal Reserve Bank of St. Louis, who oversees the [Bank On National Data \(BOND\) Hub](#), there have been more than 17 million Bank On accounts opened since 2016 across just the 35 reporting financial institutions.

### **Alternative Approaches to Customer Identification**

A key element of our Bank On work is a focus on identifying and integrating large-scale banking access moments into programs such as municipal summer youth employment programs, Coronavirus economic stimulus payments, veterans’ benefits, and [state unemployment insurance programs](#). Through these and other efforts with partners around the country, it has become clear that the ability to bank consumers who do not have traditional government ID, such as a drivers’ license or social security card, is a significant challenge. The process of developing account opening partnerships with financial institutions has revealed a lack of consistency in willingness to accept alternative forms of government-based ID. For example, in the municipal [summer youth employment context](#), we have identified some local financial institutions willing to accept a government program ID, public school ID, or school transcript to open an account, but that is not the case for the majority of institutions and, sometimes even for these institutions, more broadly outside of this specific program partnership. The same is true for our banking integration partners seeking to use municipal government IDs and Individual Taxpayer Identification Numbers (ITINs). The common refrain from most financial institutions is a concern about satisfying customer identification program requirements.

To support the goal of improved access to the mainstream banking system, we urge FinCEN to provide financial institutions with clear guidance on the general acceptability of alternative identification methods including municipal government IDs, public school IDs, consular IDs, or other government-based documentation that verifies an individuals’ identity as a requirement for public program or service participation.

## Conclusion

The CFE Fund appreciates the opportunity to provide input on FinCEN's customer identification RFI. For the nearly 6 million Americans who operate outside of the mainstream banking system and vulnerable to costly predatory and deceptive financial services, addressing simple barriers to safe and affordable banking options such as customer identification rules can have enormous positive impact.

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