



FEDERAL DEPOSIT INSURANCE CORPORATION, Washington, DC 20429

February 5, 2009

SHEILA C. BAIR  
CHAIRMAN

Honorable Richard C. Shelby  
Ranking Minority Member  
Committee on Banking, Housing,  
and Urban Affairs  
United States Senate  
Washington, D.C. 20510

Dear Senator Shelby:

As required under Section 7 of the Federal Deposit Insurance Reform Conforming Amendments Act of 2005 ("Reform Act," Pub. L. 109-173), the Federal Deposit Insurance Corporation hereby submits the results of the First Biennial Survey on Banks' Efforts to Serve the Unbanked and Underbanked. Enclosed are an FDIC Executive Summary of Findings and Recommendations as well as the detailed report.

This initial survey effort had three objectives designed to satisfy the statutory requirements:

- Identify and quantify the extent to which insured depositories outreach, serve, and meet the banking needs of the unbanked and underbanked;
- Identify challenges affecting the ability of insured depository institutions to serve the unbanked and underbanked; and
- Identify innovative efforts depositories use to serve the unbanked and underbanked.

One of several factors and questions that the Reform Act asks the FDIC to consider in conducting the survey is "[w]hat is a fair estimate of the size and worth of the 'unbanked' market in the United States." This question is being addressed by a separate survey effort being conducted jointly by the FDIC and the U.S. Bureau of the Census as a supplement to the Census Bureau's Current Population Survey in January 2009. The goals of that survey effort are to gather accurate estimates of the number of unbanked and underbanked households in the United States, their demographic characteristics, and reasons why they are unbanked and/or underbanked. These results will be forwarded later this year.

If you have further questions or comments, please do not hesitate to contact me at (202) 898-6974 or Eric Spitler, Director of Legislative Affairs, at (202) 898-3837.

Sincerely,

A handwritten signature in cursive script that reads "Sheila C. Bair".

Sheila C. Bair

Enclosure