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Comptroller Says "Information and Education"  
Can Help Draw Unbanked into System

ARLINGTON, VA -- Comptroller of the Currency John D. Hawke Jr. said today that while great progress has been made in expanding access to credit, more needs to be done to bring the "unbanked" into the system.

"The expansion of consumer credit and the resurgence of community investment will clearly stand among the signal accomplishments of American finance in the 20th century -- accomplishments that attest to the power of the public, private, and nonprofit partnerships that made them possible," Mr. Hawke said in a speech to the National Community Reinvestment Coalition.

However, he said, "We face new challenges -- new frontiers -- that must also be addressed. High on the list is the plight of the unbanked and underbanked."

According to the latest Survey of Consumer Finances, 13 percent of all American households, or 30 million adults, do not have a deposit account at a financial institution.

"The neediest and most vulnerable segments of our population -- the people who potentially have the most to gain through participation in the banking system -- are currently outside the system," Mr. Hawke added. "That's simply unacceptable."

The Comptroller emphasized that educating consumers about the benefits of becoming participants in the financial system -- and the rising costs of not participating -- is vitally important in achieving our nation's economic and social goals.

"Information and education are critical to correcting weaknesses in access to traditional payments systems -- just as they were critical in our previous efforts in the consumer credit and community reinvestment arenas," he said.

"Educating the currently unbanked about the advantages of dealing with financial institutions -- and the responsibilities that come with it -- can help overcome the prejudice and misconceptions that have been major barriers to their participation in the past," he said.

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