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New Publication Explores Financial Access for the Nonbanked

WASHINGTON, D.C. -- Comptroller of the Currency Eugene A. Ludwig today released a new publication, Financial Access in the 21st Century: Proceedings of a Forum. The booklet reports the discussion at an all-day meeting held in February 1997 to explore ways to improve access to financial services for the 12 million households -- about 12.5 percent of the U.S. population -- that do not have deposit account relationships with banks or other depository institutions. The forum was jointly sponsored by the Office of the Comptroller of the Currency (OCC) and the Consumer Bankers Association (CBA).

Several key themes developed during the day-long discussion, including "the need for a balancing act between the personal touch and new technologies" and the question of a savings gap and "the costs that arise from that gap in terms of individual opportunity and economic development."

Comptroller of the Currency Eugene A. Ludwig commended innovative efforts by banks and nonbanks to reach the nonbanked, saying "We know that greater participation in a fuller financial service system brings with it real benefits to participants entering the economic mainstream."

Treasury Under Secretary for Domestic Finance John D. Hawke discussed factors involved in the Treasury Department's consideration of how to implement "EFT 99." This congressional mandate requires that all federal payments (except tax refunds) be made by electronic funds transfer after January 1, 1999.

"Our fondest hope is that a thousand flowers will bloom," Under Secretary Hawke said, "and that when it comes time to deal with those folks who have not told us where to send their payments, we will be able to direct them to the many offerings that private institutions will be providing to this population."

Among the 40 participants in the forum were bankers and other financial service providers, technology and delivery system manufacturers and vendors, consumer representatives, academic researchers, and government policy makers. They discussed market research and other recent findings on the financial service needs of the nonbanked, the financial services they use, and the barriers banks face in serving them. Participants also focused on innovations banks and nonbanks are introducing to expand access to the nonbanked. These innovations include new products, changes in retail delivery mechanisms, new staff training and incentives, and changes to bank organizational structures.

The February meeting and release of today's publication are part of a continuing effort by the OCC to identify and help eliminate barriers to individuals' and business' access to financial services. Earlier this year, the OCC established a National Access Committee, to promote fair access to financial services by proposing new OCC initiatives and monitoring OCC regulatory and supervisory activities for their implications for access to financial services.

In addition, the OCC carries out a broader access program that includes enforcing the Community Reinvestment Act and fair lending laws; encouraging national bank involvement in community development activities; and research, outreach, and advocacy directed at the exploration of new business opportunities among the underserved segments of the financial service marketplace.

Copies of the booklet released today may be purchased from the OCC for \$15. Please send your written request, with payment, to: Comptroller of the Currency, P.O. Box 70004, Chicago, IL 60673-0004.

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The OCC charters, regulates and supervises approximately 2,800 national banks and 66 federal branches and agencies of foreign banks in the U.S., accounting for more than half the nation's banking assets. Its mission is to ensure a safe, sound and competitive national banking system that supports the citizens, communities and economy of the United States.