

Partnering with Financial Institutions

AFI Virtual Coffee Webinar Series
May 10, 2017



Office of Community Services
Administration for Children and Families
U.S. Department of Health and Human Services

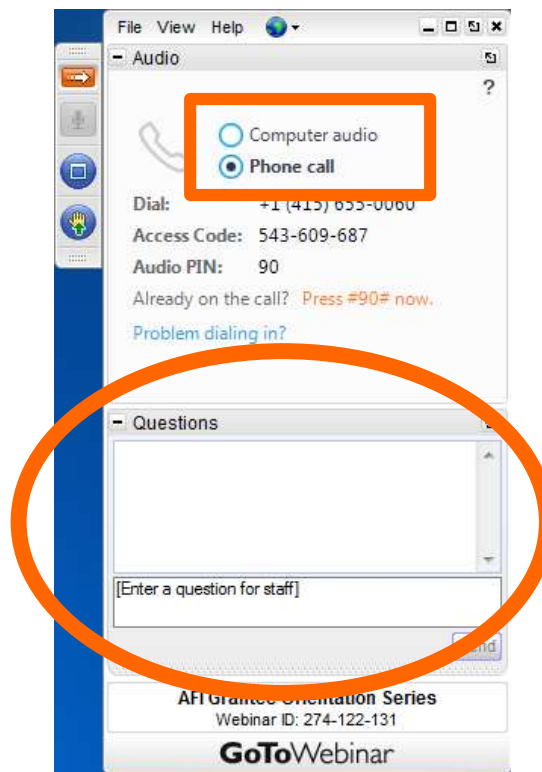


Introduction of Speakers

- Megan Bolado, CFED
- Mindy Maupin, Southern Bancorps Community Partners
- Amber Miller, Wisconsin Women's Business Initiative Corporation
- Camille Cuentas, Catholic Charities Diocese of Camden
- David Miller, Juma Ventures

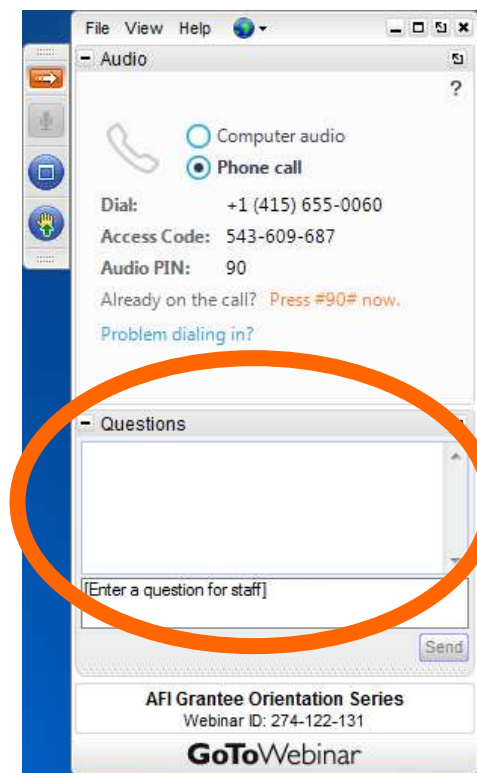
Connecting to Audio

- Chose the appropriate audio setting (computer or phone)
- Ask a question any time by typing the question into the text box on the GoToWebinar Control Panel
- Experiencing technical difficulties?
 - Use the questions box
 - Email us at slandry@cfed.org



Housekeeping

- This webinar is being recorded!
 - All attendees are muted to ensure sound quality
 - A video recording and transcript will be available on idaresources.acf.hhs.gov at a later date.
- The webinar will last approximately 90 minutes.



Objectives for Today

- Learn about Financial Institutions and how to use their products for your AFI project.
- Learn about fellow grantee experiences and challenges in partnering with Financial Institutions.
- Discuss strategies and resources that are useful for obtaining and maintaining strong Financial Institution partnerships.

A Few Questions For You



What is your level of experience with managing an AFI project?



What is your role with your AFI project?



Do you have a relationship with a financial institution to support delivering your AFI grant?



Where are you in your AFI grant project life cycle?





Assets for Independence

Understanding Financial Institutions

- Four Types of Financial Institutions:
 - National Banks
 - Regional and Community Banks
 - Credit Unions
 - Community Development Credit Unions
- Each type of FI has different incentives, target populations, products and services.

	National Banks	Regional and Community Banks	Credit Unions	Community Development Credit Unions
Mission	For-profit	For-profit	Non-profit (all profits go back to members)	Non-profit (all profits go back to members) and specialize in serving populations with limited access to safe financial services
Target population	General population	General population	General population and often specific affinity groups	Low and moderate income communities
Decision Makers	At headquarters	At regional level	National, regional or local	Local
Reach	National	Regional – few within cities around the country. Often only a handful of branches.	Reach ranges considerably based on size.	Community-based often with fewer than 5 branches.
ATM Network (ATM, without a fee for use)	ATM network is far reaching.	ATM network is often limited to the number of branches.	ATM network is extensive. Can utilize any ATM in credit union Co-op network (over 60,000 ATMs nationwide).	ATM network is extensive. Can utilize any ATM in credit union Co-op network (over 60,000 ATMs nationwide).
Services	Online and in-person.	Online and in-person.	Depends on whether a local or national credit union.	Often limited to mostly in-person services.





Assets for Independence

FDIC Model Safe Account Standards

- FDIC Model Safe Account Standards:
 - Low cost or free service fees
 - Opening balance \$10 - \$25
 - Monthly Maintenance Fee- up to \$3
 - NO overdraft fees
 - NO dormancy or inactivity fees
 - Accept alternative IDs
 - Free savings account and account transfers

FDIC Model Safe Accounts Template

The FDIC Model Safe Accounts Template provides insured institutions with guidelines for offering cost-effective transactional and savings accounts that are safe and affordable for consumers. The electronic deposit accounts are designed to meet the needs of underserved consumers. The accounts reflect the following guiding principles: transparent rates and fees that are reasonable and proportional to costs, access to banking services that feature FDIC insurance, and the protections afforded by applicable federal and state consumer protection laws, regulations, and guidelines. Standard customer identification rules would apply, including verification through the use of a variety of well-established, permissible forms of identification (see 31 C.F.R. § 1020.220). FDIC Model Safe Accounts also would be subject to all other applicable federal and state laws and regulations.

Elements of the FDIC Model Safe Accounts

	Transactional Account	Basic Savings Account
Core Features and Fees		
Card-based electronic account	√	√
No overdraft or NSF fees	√	--
Interest bearing	--	√
Direct deposit	Free	Free
Automatic saving	Free	Free
Online and mobile banking/ bill pay	Free	Free
Electronic statements (with consumer's consent)	Free	Free
Opening balance	\$10 - \$25	\$5
Monthly minimum balance	\$1	\$5
Monthly maintenance fee	Up to \$3	None, if minimum balance is met
Money orders/e-checks	2 free per month, additional for a fee that is reasonable and proportional to the cost	--
Check cashing	Drawn on insured institution: Free Not drawn on insured institution: Fee that is reasonable and proportional to cost	Drawn on insured institution: Free Not drawn on insured institution: Fee that is reasonable and proportional to cost
General funds availability (subject to appropriate exceptions, e.g. large deposits)	Same day or next day from an established customer	Same day or next day from an established customer
Auxiliary Services and Fees		
Financial education	Free	Free
Linked savings account	Transfer fees that are reasonable and proportional to cost	--
Line of credit	Rates and fees that are reasonable and proportional to cost	--
Small-dollar loans (less than \$2500)	Terms and conditions consistent with the FDIC's Safe, Affordable, and Feasible Template for Small-Dollar Loans	Terms and conditions consistent with the FDIC's Safe, Affordable, and Feasible Template for Small-Dollar Loans
Kiosk bill payment	Fees that are reasonable and proportional to cost	Fees that are reasonable and proportional to cost
Domestic and international wire transfers	Fees that are reasonable and proportional to cost	Fees that are reasonable and proportional to cost

Selecting a Financial Institution

What do you look for in a financial institution partnership?



Setting up the Partnership

- Do a community field scan
- Reach out to the Financial Institution that best meets your clients needs
- Ask them about their account features (fees, data sharing, minimum balance, etc.)
- Develop an MOU



Panelists

- How did they find the financial institution that they currently work with?
- What were the steps they took to set up the partnership?
- How did they develop their MOU and how do they use it to maintain their partnership?
- How do their clients perceive the financial institution before and after they open their account?
- How do you prepare clients to engage with the financial institution?



Panelist: Catholic Charities



Camille Cuentas
Asset Development, Program Coordinator
Camille.Cuentas@camdendiocese.org
(856) 342-4175
<http://catholiccharitiescamden.org/ida/>



Agency Background

Our Mission

Catholic Charities, Diocese of Camden is a faith-based agency rooted in the Gospel and in the social teaching of the Catholic Church. We provide social services to, advocate for, and empower the poor, oppressed or vulnerable. We do this on a non-discriminatory, non-sectarian basis throughout the six southern New Jersey counties.



Populations Served

Atlantic | Camden | Cape May
Cumberland | Gloucester | Salem

- Across 6 counties: Urban, Farmlands, Pine Barrens, Jersey Shores
- 2016 Data: 175, 103 people live below the Federal Poverty Line



Matched Savings
(IDA) Program

The flagship program of the Asset Development department, this program offers clients the opportunity to open an IDA (Individual Development Account) and save towards their financial goals.





Camille Cuentas
Asset Development, Program Coordinator
Camille.Cuentas@camdendiocese.org
(856) 342-4175
<http://catholiccharitiescamden.org/ida/>



Panelist: Juma Ventures

Juma Background

- Founded in **1993** to provide homeless youth with quality employment
- Employ over **1,150 youth annually in 9 cities** and over 20 social enterprises
- Youth work in concessions in stadiums and other large venues
- Over **\$1,600,000 in youth wages earned annually**
- **\$1.9 million in youth savings** in 2017, including match



Juma Model



Juma's IDA Program

- Juma began offering IDAs to our youth in 1999
- Our **college-bound youth** receive educational IDAs with savings goals up to \$1,000
- Juma staff make purchases on behalf of youth to ensure funds are used for educational expenses





Panelist: WWBIC



Overview



Amber Miller, MBA, MHEA
Regional Project Director
WWBIC- Milwaukee, WI

- AFI funded since 2003
- Over 1,500+ graduates from Make Your Money Talk series
- Closing in our 145th home purchase
- 100+ people attended college
- 95 people have opened or expanded their business



Building a Relationship

- Pick a bank with several locations
- Similar mission
- Are they set-up to do custodial accounts?
- Can they meet the needs of the client?
- Do they waive fees if the clients goes below a certain balance?
- Outcome Tracker



Panelist: Southern Bancorps Community Partners



Financial Institution Partnerships for IDAs

Mindy Maupin

Program Consultant

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southernpartners.org

About Us



- Founded in 1986 with \$10 million
- 80,000 customers
- 44 locations in AR and MS
- 362 employees
- \$1.1 billion in assets

Our Markets

Un/Underbanked: National

7% Unbanked

19.9% Underbanked

Arkansas

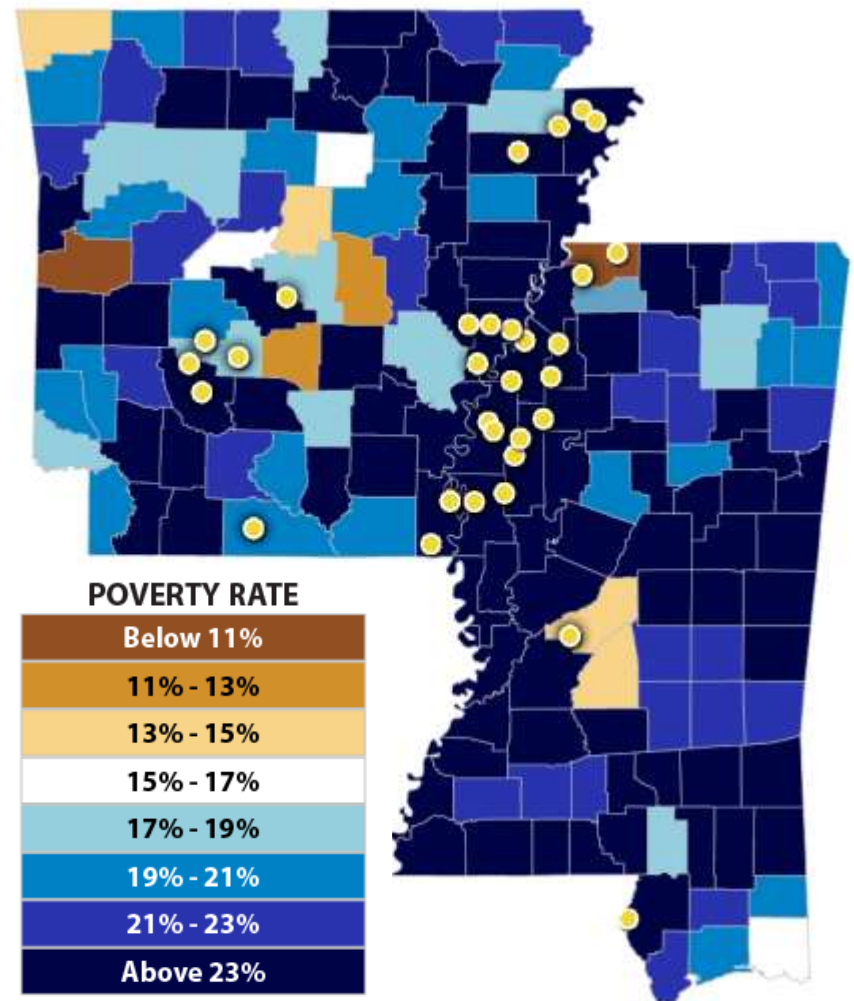
9.7% Unbanked

22.6% Underbanked

Mississippi

12.6% Unbanked

25.5% Underbanked



PovertyUSA.org. Map data source: Current Population Survey (CPS), 2011 Annual Social and Economic Supplement (ASEC).

Southern's IDA History

- Received our first AFI Grant in 2000
- 50% of our participants were underbanked or unbanked
- 605 AFI participants have successfully completed the program
- 100 AFI participants currently saving.

Experiences, Tips, Best Practices

- Bank partnerships
- Electronic statements
- Communication

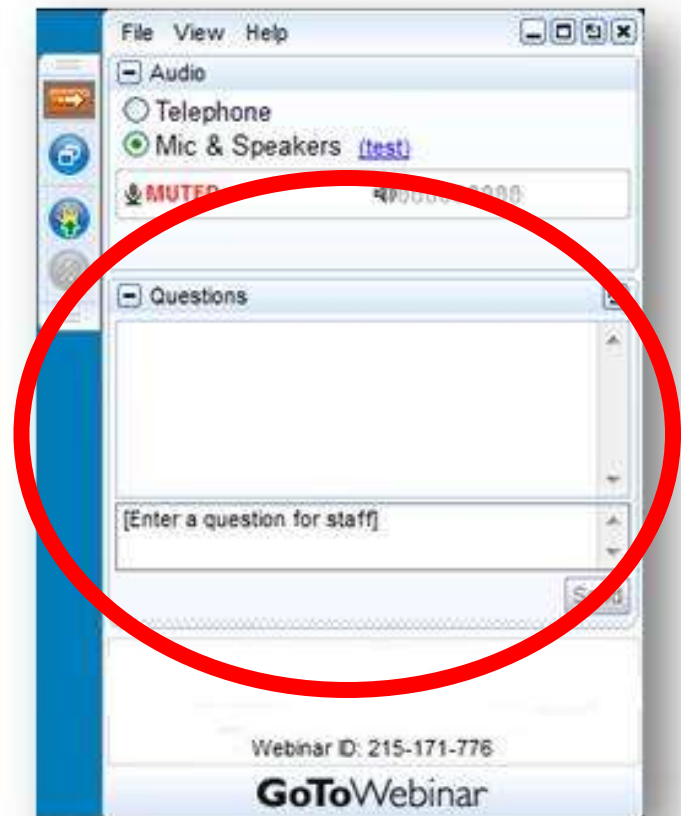
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Questions?

- Ask your questions using the box on the right side of your screen





AFI Resource Center

- Home: idaresources.acf.hhs.gov
 - Calendar: <http://idaresources.acf.hhs.gov/Calendar>
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- Help Desk:
 - Email: info@idaresources.org
 - Phone: 1-866-778-6037

Thank You!

