



CUNA & Affiliates

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**WRITTEN TESTIMONY OF
AL BELTRAN
PRESIDENT AND CEO
SECURITY FIRST FEDERAL CREDIT UNION
MCALLEN, TEXAS
ON BEHALF OF
CREDIT UNION NATIONAL ASSOCIATION (CUNA)
BEFORE THE
HOUSE FINANCIAL INSTITUTIONS SUBCOMMITTEE
ON
“SERVING THE UNDERSERVED: INITIATIVES TO BROADEN ACCESS TO THE
FINANCIAL MAINSTREAM”**

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Good morning Chairman Bachus, Ranking Member Sanders, my good friend, Rep. Ruben Hinojosa, and members of the Subcommittee. I am honored to appear before you this morning to present testimony on the plight of the “unbanked” and “underserved.” I am Al Beltran, President and CEO of Security First Federal Credit Union, a \$137 million community-chartered credit union serving nearly 21,000 members in McAllen and the Rio Grande Valley of South Texas. I appear before you today on behalf of the Credit Union National Association (CUNA), which represents over 90 percent of the nation’s approximately 10,400 state and federally chartered credit unions and their 83 million members.

In holding this hearing, Chairman Bachus, along with Rep. Hinojosa and other Subcommittee members, implicitly understand that approximately 10 percent of households in the United States are “unbanked,” and that most of these individuals predominantly come from low-income households and often must utilize high-cost services offered by fringe financial service providers in order to conduct routine transactions such as check cashing and bill payment. In addition, the “unbanked” have had a difficult time establishing traditional forms of credit, receiving bank loans, acquiring financial assets and saving for the future.

My testimony this morning will focus not only on the efforts of Security First to serve the underserved, but also on those of credit unions across the nation. I will describe several programs designed to attract and retain the unbanked. Before I do that, however, I would like to summarize a recent study undertaken by CUNA, as well as a paper published by the Filene Research Institute.

“Serving Members of Modest Means” Survey Report (CUNA Market Research Department, 2003)

The “Modest Means” survey was conducted by CUNA’s Research and Advisory Services department, and was completed in January, 2003. The study’s primary objectives were to

identify the types of financial services that credit unions make available to low - and moderate-income households (i.e., consumers with household incomes of \$40,000 or less), and to document the types of activities and initiatives that had been undertaken by credit unions to serve members and attract potential members of modest means.

This study provides a valuable snapshot of “the current state of affairs” with respect to credit unions’ efforts to meet the financial needs of low- and moderate-income consumers. Survey results reveal that many credit unions are proactively taking a wide variety of steps to serve their current members of modest means, and to persuade more potential members in this group to join the credit union

A number of credit unions, overall – including roughly 50 percent to 75 percent of credit unions with assets of \$20 million or more – provide programs that are geared primarily to low- and moderate-income members, programs such as check-cashing services for members, money orders, financial counseling/debt counseling, and risk-based lending. Additionally, offerings such as loan- and savings-related financial management seminars, special home mortgage programs, and partnerships with community organizations that serve those of modest means, while provided by no more than about 15 percent of all credit unions, can nonetheless be found in upwards of 40 percent of expansion credit unions.

Other signs of credit unions’ efforts to meet the needs of those of modest means include the findings revealing that one in three credit unions will open a share certificate account for as little as \$100 (or less) and that an identical proportion will grant a member a loan for as little as \$100 (or less).

Credit unions have also participated, in large numbers, in a wide variety of activities and initiatives designed to attract low- and moderate-income members and potential members. Reaching out to this market through newspaper ads and becoming involved – financially and/or through committing human resources – in community events and local organizations (e.g., church groups, clubs, etc.) head the list of activities that most credit unions have already been involved in.

Finally, findings reveal that – consistent with the “people helping people” credit union philosophy – many credit unions proactively seek out and provide assistance to credit unions that serve primarily low- and moderate-income members so that these assistance-receiving credit unions can, in turn, better serve their membership.

One in four credit unions (27 percent) have provided some type of technical support/staff, training, equipment, financial and/or other assistance to credit unions that serve predominantly low- and moderate-income members sometime in the past three years – with many of the support-providers supplying multiple types of aid.

Turning the focus exclusively to those credit unions that have added underserved areas, we find that although the vast majority of these areas have been served for just one year or less, they have already made significant inroads into serving those areas.

We estimate that after only an average of 7.3 months of service per area, the 256 credit unions that served 470 such areas as of May 31, 2002, served 615,000 members from those areas. These members had a total of \$2.1 billion in savings at the credit union and \$2.9 billion in loans as of June 30, 2002.

These credit unions also indicate that they have been more successful in attracting the low-income consumers from their underserved areas than the higher income ones. Although about 25 percent of their potential underserved-area members have household incomes of \$20,000 or less, this low-income group accounts for almost 35 percent of the underserved-area members they have actually been able to attract to the credit union.

Additionally, these credit unions indicate that the potential members within their underserved areas account for one-third of all of their credit union's potential members, and that their actual members from the underserved areas account for nearly 5 percent of their entire membership.

Clearly, credit unions, as a whole, have established a solid foundation for serving the financial needs of consumers of modest means. As with most worthwhile and ambitious initiatives, however, there are also opportunities for credit unions to further improve upon their current efforts and successes with respect to this group. That is, one can argue that "more is always better," when it comes to the types of financial programs offered to, and the degree of effort put forth to attract, consumers of modest means.

"Serving New Americans: A Strategic Opportunity for Credit Unions" (Filene Research Institute, 2003)

This paper incorporates presentations at a colloquium at the University of California, San Diego earlier this year. The presenters stated what has become very obvious to most sophisticated observers: "There's a powerful force exerting itself on the U.S. economy, promising tremendous opportunities for those nimble enough to recognize and respond to it. That force is a population of more than 33 million immigrants—New Americans who are reshaping our society."

The presenters concluded that "Every credit union can respond to the opportunity presented by increased immigrant populations, regardless of its size, field of membership, or geographic location." Among the recommendations were: understand the market; develop services for unbanked immigrants; offer low-cost remittance services; provide access to savings accounts; explore small loan and mortgage programs; provide education and special communications programs; and staff properly.

Current Credit Union Efforts to Serve the Underserved

The suggestions in the Filene Study are not unique to serving immigrant populations. They are equally applicable to serving all those currently unbanked. Following are some of the programs currently employed by credit unions in an effort to provide their services as broadly as possible to their members.

First Accounts

CUNA is strongly committed to the principle of access to financial services by consumers, including those of modest means, and supports the Treasury Department's First Accounts Program, which is designed to make basic financial institution accounts available to low- and moderate- income consumers.

According to the Federal Reserve Board's 1998 Survey of Consumer Finances and the Treasury Department's Notice of Funds Availability regarding First Accounts, almost one family in ten in this country does not have a share draft/checking account or a savings account. These families generally have annual incomes of less than \$25,000.

There are many reasons why an individual may not have an account with a financial institution. These include lack of awareness about the importance of efficient management of their financial resources – however meager – and how institutions, like credit unions, will provide financial counseling, education and guidance to help individuals develop financial plans to maximize their funds and plan for the future. Financial education is a hallmark of the credit union system and credit unions offer such education through a variety of programs that are described throughout my testimony.

Individuals, such as immigrants, may also be reluctant to approach a financial institution because they fear they lack proper documentation. This may become even more problematic as the Treasury Department implements the "Know Your Customer (Member)" rules under the USA PATRIOT Act. We are pleased that these rules as recently adopted will not have a chilling effect on the ability of immigrants to fully participate in our society, including through the use of financial institutions, although we are more recently concerned with new efforts to curb the use of *matricula consular* and to require photocopying of driver licenses and other forms of identification. CUNA will be filing a very strong statement with the Treasury Department and the National Credit Union Administration (NCUA) shortly to urge those agencies to retain provisions in the final rule that provide for the voluntary, not mandatory, use of photocopying and authorize *matricula*.

Without access to these very basic services, such individuals are severely limited in the choices they have to conduct the business of their daily lives. They are likewise disadvantaged in preparing for the future. Recognizing there is a role for the federal government to play in helping to address this situation, Congress last year appropriated a modest amount of money for the First Accounts program implemented by the Treasury Department.

Under the program, Treasury provided grants to eligible entities, such as credit unions, to offer low-cost savings and share draft/checking accounts to low- and moderate-income consumers. Such accounts could be offered electronically, such as through an ATM, and ideally would also be accompanied by financial education to encourage the use of the account and highlight its advantages.

We are gratified that Treasury has reached out to credit unions and granted nearly half of its grants for First Accounts to credit unions. One of those awards was through through CUNA's National Credit Union Foundation (NCUF) for \$1.4 million. Over 50 credit unions, located in Texas, New York, California, Washington, Oregon, Idaho, Montana, and South Dakota, have moved over 500 unbanked into their first credit union account. To achieve this goal, credit unions have embarked on aggressive, innovative financial literacy campaigns. For example, in Washington, the Washington Credit Union League Foundation hired a team of bi-lingual Latinos, with the support and participation of local credit unions, to present financial literacy training in Spanish to local community organizations in Latino communities. In Montana, the Montana Credit Union League Foundation, working with local rural based credit unions, has held financial literacy workshops for rural Native American organizations. In Texas, the El Paso Affordable Housing Credit Union Service Organization holds weekly first time home buyer workshops for most low-income Latino organizations located throughout El Paso.

Remittances

CUNA, along with the World Council of Credit Unions (WOCCU), has for a long time recognized the desperate need for affordable remittance services and the difficulties in providing these services. This recognition has resulted in an aggressive effort by credit unions to address these needs.

There is a growing population of Hispanic and other individuals in this country who for one reason or another are not able to utilize traditional financial institution services. These individuals frequently send their hard-earned pay to parents, children, brothers, and sisters in Mexico or other homelands. Those who do not have access to a credit union or other financial institution must use wire services that charge outrageously high fees to execute the transaction.

I am proud to say that Security First Federal Credit Union has been offering its members the opportunity to wire money back to Mexico and uses the WOCCU service called International Remittance Network (IRnet®). This service saves our users at least one-third the cost of using a high-cost money transfer agent. Our credit union has many individuals in our field of membership with familial ties to Mexico, and we know they send funds to relatives in Mexico using wire transfer services that charge as much as 28 percent of the amount transferred. By providing IRnet® services, we offer members an inexpensive way to wire money to family in Mexico, or in 42 other countries, at an affordable price. For peace of mind, members also receive a free three-minute phone call to inform the recipient of the transfer. The program has shown moderate success.

CUNA is very excited about a recently announced partnership that should significantly enhance the IRnet® product. CUNA has entered into an agreement with WOCCU and Travelex to make remittance services more broadly available to credit unions and those they serve in the U.S. The new program, retaining the name IRnet, gives credit unions the option of using Travelex' Worldwide Money Remittance system or the Vigo Remittance service. It means that U.S. credit unions can provide international money remittances to their members and potential members even more efficiently and economically. Credit union members will also have access

to many of Travelex' other low-cost products. Using IRnet®, credit union members are able to send up to \$1,000 instantaneously to Mexico for \$10. While some newer services charge less up front, the IRnet® product does not charge foreign recipients any fee for accepting transfers, and offers exchange rates that are consistently better than the competition—about 1.35 percent below interbank rates. And with its new partnership with Travelex, plans are currently in the works to introduce a new ATM card product that promises to save remittance senders even more money.

While many credit unions are leading the way in ensuring that immigrants have access to affordable remittance and financial services, these efforts could be significantly enhanced if Congress would amend the Federal Credit Union Act to allow credit unions to provide these services to non-members within the field of membership. I am very excited that the House of Representatives has initiated legislation to do just that. H.R. 1375, “The Financial Services Regulatory Relief Act of 2003,” which has been reported out by the full House Financial Services Committee, provides credit unions the authority to cash checks and provide remittance services for non-members within their field of membership. Having the authority to cash checks and provide wire transfer services to non-members within the field of membership would further enhance the ability of credit unions to reach the “unbanked” and “underserved” and provide an affordable and financially sound alternative to high-cost payday lenders. It would allow credit unions to play an even more important role in combating predatory lending practices. And by getting the “unbanked” in the door with these services, we would hope to gain their trust, respect, and loyalty so that they would join the credit union as full-fledged members. We are grateful to Representatives Ose, Gonzalez, and Gutierrez for their leadership on this important initiative.

I am also pleased to inform you that CUNA is in the process of considering a set of voluntary principles, or guidelines, in the areas of disclosure, advertising, and services. These will be designed to assist credit unions in providing wire transfer services in an open and truthful manner.

Matricula Consular

On March 26, John Herrera of Latino Credit Union in Raleigh, North Carolina, presented testimony on behalf of CUNA and WOCCU before the Congressional Hispanic Caucus on the role of *matricula consular* at financial institutions. Much of what I will discuss today in relation to *matricula* is borrowed from that statement.

CUNA is aware of at least 56 credit unions in 17 states that currently accept the *matricula consular* ID card and expect that there are many others that we are not aware of that accept this form of ID. In addition, CUNA is very concerned about some current efforts to discredit the use of *matricula*. We also have formally adopted a position to oppose any legislation prohibiting the use of the *matricula* or other similar government-issued ID, and support legislation allowing its use for financial institutions or for general purposes. In that regard, we congratulate Rep. Hinojosa on the introduction of H.R. 773, “The 21st Century Access to Banking Act.”

Those credit unions that are accepting the *matricula* as a valid form of identification are doing so based in part on the following:

- There is no statutory or regulatory prohibition.
- The due diligence performed on the IDs provides us with reasonable assurances to the authenticity of the document presented.
- Local boards of credit unions have made the decision to accept the IDs.

No Legal Prohibitions

We have uncovered no federal statutory or regulatory prohibitions against accepting a *matricula* for identification purposes associated with member accounts. In addition, on July 23, 2002, the Treasury Department and federal financial institution regulators jointly published the proposed rule implementing Section 326 of the USA Patriot Act. This provision requires the regulators to implement rules detailing the minimum standards for identification of individuals that open accounts. We commend the Treasury Department's efforts to achieve a balanced approach in this proposed rule. The proposed rule does not discourage acceptance of the *matricula* and provides a framework for local decisions based on what is reasonable for each financial institution. Please bear in mind, financial institutions are not required by law to accept drivers' licenses specifically for opening accounts. And we do not believe that we should be required to accept the *matricula*, passport or other form of ID, but rather each financial institution should be provided with the authority to determine what types of identification it will accept. We appreciate Treasury's willingness to consult with financial institutions in finalizing the rules for account opening procedures. But let me repeat—CUNA is concerned that in response to some Congressional resistance, that Treasury is reviewing its position on *matricula*.

Due Diligence

Prior to broad acceptance of the *matricula* ID and CUNA's position on it, credit union officials at national and local levels performed sufficient due diligence. We met with local consulate generals, members of President Fox's cabinet, the Mexican Ambassador to the United States and President Fox to discuss and understand the document.

Following these discussions, there was a review of the seven security protection devices included in the enhanced *matricula*, including scrambled indita, Advantage Seal stamped photos, numbered telsing paper, and hologram logos. These security features ensure that the *matricula* is as secure a document as any U.S.-issued identification, enhancing the certainty that the member is who they say they are.

Local Decisions

We believe that boards of cooperatively and locally owned financial institutions have sufficient information to serve the diverse needs of their communities. A case in point is with John Herrera's home state of North Carolina. In the past decade, the Latino population of the state has grown more than 400 percent as immigrant workers helped expand businesses such as furniture plants and construction. In 1997, officials from Duke University Hospital contacted

area Latino leaders to try to identify why so many members of our community were ending up in the hospital.

They realized most of these newcomers were unbanked. Criminals were targeting Latinos for robberies and assaulting them as they left the check cashers on payday. For example, Federico Ñañez was gunned down in front of his apartment and robbed of his week's pay of \$500. Federico managed to escape death, but was left paralyzed in a wheelchair for the rest of his life. Federico and many others victims like him became members of the Latino Community Credit Union. With the support of regulators, local law enforcement officials, banks, other credit unions and the community, the Latino Community Credit Union was launched in June of 2000. Today it has over 12,000 members who have deposited over \$4.4 million – not just saving money, but saving lives. Ninety percent of its members are immigrants and the vast majority are low-income.

Two-thirds of Latino's members have never had a financial account in their lives – neither here in the U.S. nor in their home countries – and are working long hours at multiple jobs to help support family members abroad. This is not unique to North Carolina. Nationwide, approximately 60 percent of all Latino immigrants do not have access to financial institution services, compared to 10 percent of the total U.S. population that is unbanked. Many credit unions have decided to accept the *matricula*, and while not required by law or regulation, some of them also require one additional form of ID with the presentation of the *matricula* to further authenticate the individual. This is a common practice by financial institutions.

Commitment to Stopping Terrorist Financing and Serving the Underserved

Credit unions believe that ensuring access to financial services for all immigrants and shutting down terrorists are not competing, but rather complimentary, objectives. It is clear that part of the reason so many immigrants remain unbanked is because the nation's financial institutions are unsure if, and how, they can provide service to documented and undocumented immigrants. The lack of certainty in the current regulatory environment results in many banks not welcoming immigrants. The immense majority of immigrants are here: to work, to prosper, and to live the American dream.

Credit unions and other financial institutions comply with the Office of Foreign Asset Control's (OFAC) requirements to check names of new members against its Specially Designated Names (SDN) and the block country list. We do this on a real-time basis for all our international money transfers – a popular service among our membership. Our government has identified the individuals on this SDN list as a potential threat to the U.S.

We certainly appreciate the importance of meeting our compliance responsibilities, particularly after September 11 and given the current war. However, given these requirements we already face, it is imperative that policymakers do not develop rules that will result in unreasonable obstacles to serving our members.

Again, we want to work with Treasury and Congress to develop an approach to this issue that will not have a chilling effect on the ability of underserved individuals to use a traditional financial institution. Otherwise, we will undoubtedly lose them as they head back to the usurious practices of money transfer companies, check cashers, and payday lenders.

Individual Development Accounts (IDAs)

I am proud that many credit unions are among the leading providers of Individual Development Accounts (IDAs). One of the purposes of this hearing is to address the inability of the “unbanked” to acquire financial assets and save for the future. If ever there was a product developed to serve exactly that purpose, it is the IDA. And if ever there was an institution developed to provide these accounts, it is the credit union, whose mission of “People Helping People” fits perfectly with the goal of IDAs.

IDAs are savings accounts with the added benefit of matching funds by government and private organizations. Participants must meet certain requirements such as, income qualification (usually 200% below the poverty level), and attendance at educational sessions. Each participant sets a savings goal for a specific purpose. The funds can only be used for the purposes of buying a first home, education and/or to start a small business.

Legislation currently before Congress would greatly enhance the number of IDA accounts in existence within credit unions and other financial institutions. The Savings For Working Families Act (SWFA) has been introduced both as a free-standing bill and incorporated within other legislation. The Senate has passed its charitable giving bill, which includes the SWFA, while H.R. 7, the Charitable Giving Act of 2003, does not yet include the IDA provisions. H.R. 7 is currently pending before the House Ways and Means Committee. Essentially, the SWFA would provide tax credits for matching funds to IDA accounts, dramatically increasing the market for IDAs. I urge the House to support this very important initiative.

Financial Literacy

Credit unions recognize that it is necessary to offer some form of financial literacy training to successfully integrate the “unbanked” into the financial mainstream. We also believe that similar to a “continuing education” requirement for many professionals such as doctors and lawyers, consumers require similar continuing financial education to help them navigate the many pitfalls and opportunities available to them. That is why credit unions have traditionally made financial education a part of their mission. Credit unions, including Security First, provide financial information and training to members on a one-to-one basis. Many credit unions actively work in schools to teach personal finance skills to children and teenagers. Security First actively sponsors community and school-based educational programs and seminars, providing individuals with resources such as: how to maintain a checking account; how and what to look for when purchasing family transportation; how to complete a mortgage loan application; what is involved when applying to finance or repair a home. We also provide credit union staff as volunteers to read to elementary school children, participate in the “Partners in Excellence”

program with the local school district, and provide scholarships to needy high school students to attend institutions of higher learning. All these services are provided at no cost and are open to credit union members and the community it serves.

At the national level, CUNA has formed a national partnership with the National Endowment for Financial Education (NEFE) and the cooperative Extension Service to teach the High School Financial Planning Program® to high school seniors across the nation. CUNA underwrites the cost of printing course materials that are offered free of charge to any school requesting them, and credit union staff volunteer to either teach the course itself, or to train teachers how to teach it.

In addition, CUNA's National Credit Union Foundation, with support from the Ford Foundation, implemented a nationwide financial literacy campaign called "Plan For It. Save For It" to address the need for increased savings among low-to-moderate income families. More than 4,000 credit unions currently use the "Plan For It. Save For It" guide to increase savings among low-income credit union members. In addition, financial literacy training contributes to the creation of a local communities entrepreneurial class.

Affordable Housing

Many credit unions are engaged in programs designed to provide low and moderate income members access to affordable housing. Some credit unions have their own programs, others partner with local organizations, and still others partner with CUNA's National Credit Union Foundation. The Foundation sponsors a unique approach that combines access to affordable housing with wealth building.

The connection between wealth creation and homeownership is well documented. Less understood, however, is the enormously important role that homeownership plays in financing small business development. According to the Fannie Mae Foundation, the vast majority of new business starts are financed not by the Small Business Administration or from local or state funded loan programs, but through the tapping of home equity. Thus, the Foundation provides funding to a number of affordable mortgage lending programs which are designed to educate (homeownership counseling) and offer low-to-moderate income individuals access to first time home buying expertise and mortgage finance. For example, the Foundation provided funding for the creation of an Affordable Housing Credit Union Service Organization (AHCUSO), which is owned by eight local El Paso, Texas credit unions and provides affordable mortgage products to the mostly Latino low-income community of El Paso. Other key partners include Fannie Mae, the El Paso Housing Authority, and a number of local Latino service and religious institutions.

Since its inception in the spring of 2003, the AHCUSO has closed on over 40 loans made to low-wealth Latino homebuyers that live, work or worship in the field of membership areas of the El Paso credit unions. More importantly, over 600 low-wealth Latinos have completed intensive one-on-one homebuyer training classes offered by the AHCUSO in local churches, community centers, and housing authorities.

Credit Unions Combat Predatory and Payday Lenders

Over the past decade, high-cost credit facilities, such as payday lenders and subprime mortgage lenders, have flourished across the country, particularly in underserved areas. Unfortunately, many of these lenders incorporate predatory practices into their programs, such as exorbitant fees and interest rates, frequent “flipping” of the loans to needlessly increase costs, undisclosed balloon notes and unnecessary insurance premiums.

Credit unions have stepped up their efforts to combat predatory lenders in neighborhoods by offering affordable alternatives for both payday loans and mortgage loans.

A “payday loan” refers to the use of a post-dated check to receive a small loan until the next payday. Generally, the annual percentage rate for a payday loan is more than 400 percent.

The demand for these payday loans continues to increase, and there are now more payday lenders across the country than credit unions.

To reverse this disturbing trend, credit unions have developed affordable alternatives to the high-cost payday loan. For example, some credit unions offer their members up to \$300 at 18% with up to six months to pay back the loan, as long as the member has direct deposit. Some credit unions offer emergency loans, for specific purposes, with no fees or interest attached. Some credit unions have opened facilities in underserved neighborhoods to offer not only small unsecured loans, but low-cost check cashing, affordable money orders, bill-paying services, bus tokens, and free credit counseling.

Credit unions also have developed a variety of subprime lending programs to help consumers build credit, get into homes with as little as 1% down, and pick up smart credit habits as they reduce their loan rates. For example, one credit union program offers subprime loans at 2 percent or 4 percent above normal rates, depending on collateral. The credit union drops this subprime rate to the prime rate when the borrower has made 12 on-time payments.

Another credit union program offers its subprime borrowers several ways to reduce their interest rates. For example, attending one consumer credit counseling class reduces the rate by 1/2 percent; attending more than one class will reduce the rate by 1 percent; depositing \$15 a month into a savings account for a year reduces the rate by 1/2 percent; and for each year the debt does not increase, the rate drops 1 percent.

Credit unions are uniquely positioned to help combat these practices, particularly if given additional tools to do so.

Conclusion

In conclusion, I have mentioned several programs that credit unions are participating in to bring the unbanked into the financial mainstream. I would like to enter into the record booklets describing some of these programs.

On behalf of CUNA, I am grateful for the opportunity to have commented on the plight of the “unbanked” and “underserved” and how Security First Federal Credit Union and credit unions across the country are trying to reach out and bring them into the financial mainstream. There is no more pressing need in my opinion, for it is only through economic opportunity that we can solve many of the problems facing our nation’s poorest and most deprived individuals. I have witnessed first-hand that poor people want to work and know even with a little bit of savings they can grow and thrive. Whether it is through the First Accounts Program, affordable housing programs, enhanced IDAs, expanded opportunities to serve their communities, or financial literacy, credit unions stand ready to meet this very important challenge.