Personal Finance Program

Policy Paper

Expanding Access to Banking in Georgia

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Introduction

Access to safe, secure, and affordable banking services is a necessary component of ensuring one's personal financial security. Many Georgia residents, however, are unable or unwilling to participate in traditional banking. An alarming 19.4% of Georgia households are **unbanked**, meaning that they do not maintain bank accounts.[1] Another 12.2% of Georgia households do have bank accounts, but also use costly alternative financial services such as check cashing, prepaid cards, and short-term loans.[2] Individuals who supplement traditional banking with alternative financial services are termed **underbanked.**

While unbanked and underbanked consumers can be found all over the United States, the problem is particularly acute among Georgia residents. Georgia ranks as the fifth highest state in the nation for its percentage of unbanked households *and* its percentage of underbanked households.[3] Not only do these underserved consumers miss out on the long-term benefits of traditional banking, such as higher savings rates and credit scores, but they are also more vulnerable to lifelong debt and predatory lending.

The Importance of Mainstream Banking

The evidence is clear: Americans who participate in mainstream banking are financially better off than those who do not. Checking and savings accounts benefit accountholders in several ways, such as providing the means to make basic, day-to-day financial transactions; facilitating the growth of one's savings; and helping to build and improve personal credit.[4]

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[1] FED. DEPOSIT INS. CORP., 2011 FDIC NATIONAL SURVEY OF UNBANKED AND UNDERBANKED HOUSEHOLDS 26 (Sept. 2012) [hereinafter FDIC NATIONAL SURVEY]
[2] *Id.*
[3] *Id.*
[4] OFFICE OF FIN. EDUC. AND FIN. ACCESS, U.S. DEP'T OF THE TREASURY, BANKING ON OPPORTUNITY: A SCAN OF THE EVOLVING FIELD OF BANK ON INITIATIVES 8 (2011).

On the other hand, those who do not have traditional checking accounts face numerous negative consequences. Without access to mainstream financial services, consumers have no safe place to keep money or access funds in an emergency. Unbanked and underbanked individuals are also less likely to build assets[5] and will spend tens of thousands of dollars over a lifetime on the high fees associated with check cashing, money orders, and other alternative financial services.[6] Finally, underserved consumers are more likely to fall prey to short-term, high-interest, and even predatory loans - thus entering into a vicious cycle of lifelong debt.[7]

Despite the many benefits and protections derived from mainstream banking, there are several reasons why individuals choose not to have bank accounts in financial institutions. The Federal Deposit Insurance Corporation (FDIC) has identified the most popular reasons given by participants in its National Survey of Unbanked and Underbanked Households:

- *High costs or perceived high costs.* The most commonly cited reason for not having a bank account is an individual's belief that they do not have enough money for standard monthly fees and minimum account balances.[8]

- *Overall feelings toward banks.* Many low-income consumers say they do not need or want a transaction account, and believe that "banks are not for them."[9]

- *Negative past experiences.* Some unbanked individuals who previously held bank accounts chose to leave their financial institutions due to high penalty fees incurred or a general distrust of banks.[10]

- *Lack of knowledge.* Low-income consumers may lack sufficient financial knowledge to navigate through the often complicated mainstream financial system.[11] As a result, these unbanked individuals are generally willing to pay higher fees for alternative financial services such as prepaid cards.[12]

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[5] *Id.*
[6] *Id.*
[7] *Id.*
[8] FDIC NATIONAL SURVEY , *supra* note 1, at 26
[9] *Id. E.g.*, U.S. DEP'T OF THE TREASURY, BANKING ON OPPORTUNITY, *supra* note 3, at 9.
[10] FDIC NATIONAL SURVEY, *supra* note 1, at 26-27.
[11] U.S. DEP'T OF THE TREASURY, BANKING ON OPPORTUNITY, *supra* note 3, at 9.
[12] Rourke O'Brien, *"We Don't Do Banks": Financial Lives of Families on Public Assistance*, 19 Geo. J. on Poverty L. & Pol'y 485, 489 (Summer, 2012).

- *Services offered.* Checks deposited outside of direct deposits can take several days to clear, and unbanked consumers prefer check cashing services for faster access to their money.[13]

Furthermore, traditional banking may be inconvenient for low-income individuals due to their limited hours of operation and the lack of branches in low-income neighborhoods.[14]

In addition to those who voluntarily forego traditional banking, more than 644,000 Georgia households are prohibited from opening bank accounts due to poor credit, failure to pay fees or penalties on previously held accounts, or lack of government-issued identification.[15]

Banking Institutions in Georgia

Consumers' personal finance choices are impacted by the size, branch locations, fee-pricing structures and account policies of the banks located in their neighborhoods. For example, large financial institutions with over $1 billion in assets tend to charge higher monthly and penalty fees to accountholders with low balances.[16] In other words: the bigger the bank, the fewer low-income customers comprising its clientele. It follows that low-income consumers who live in an area dominated by large national banks are more likely to forego traditional bank accounts in favor of alternative financial services. Notably, four of the ten largest national banks hold nearly half of all checking accounts in Georgia.[17]

Account policies adopted by Georgia banks also deter low-income residents from holding bank accounts. For instance, the median minimum balance required to waive monthly fees for checking accounts in Georgia is $5000 - double the national average of $2500.[18] With such barriers to entry into the financial mainstream, it is easy to see why unbanked and underbanked consumers in Georgia believe they do not have enough money to be accountholders.

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[13] U.S. DEP'T OF THE TREASURY, BANKING ON OPPORTUNITY, *supra* note 3, at 8.
[14] *Id.*
[15] Rourke O'Brien, *supra* note 11, at 488-489.
[16] Julie Andersen Hill, *Transaction Account Fees: Do The Poor Really Pay More Than The Rich?,* 15 U. PA. J. BUS. L. 65, 114 (Fall 2012). *See generally* U.S. GOV'T ACCOUNTABILITY OFFICE, GAO-08-281, BANK FEES: FEDERAL BANKING REGULATORS COULD BETTER ENSURE THAT CONSUMERS HAVE REQUIRED DISCLOSURE DOCUMENTS PRIOR TO OPENING CHECKING OR SAVINGS ACCOUNTS 16 (2008), http://www.gao.gov/new.items/d08281.pdf.
[17] PEW HEALTH GROUP, FEES AND THE UNBANKED: HOW YOUR STATE COMPARES WITH THE NATION 11 (The Pew Charitable Trusts ed., Oct. 26, 2011), *available at* http://www.pewtrusts.org/uploadedFiles/wwwpewtrustsorg/Reports/Safe_Checking_in_the_Electronic_Age/50States_Web_full.pdf.
[18] *Id.*

Legal and Regulatory Background

A. Banking Statutes and Fee Regulations

Banking in the United States is regulated by multiple federal agencies. The FDIC controls entry into the banking market and insures depository funds.[19] The Office of the Comptroller of the Currency (OCC) charters and supervises all national banks, including the regulation of account fees, and the Federal Reserve System promulgates rules on required disclosures and assorted fees.[20] Finally, the newly created Consumer Financial Protection Bureau (CFPB) is considering a regulation for more stringent disclosure requirements to accountholders. [21]

State regulation of banking is somewhat limited. Current OCC regulations give national banks considerable discretion in setting fee pricing structures.[22] The OCC also applies federal preemption principles to any state regulation with more stringent standards.[23] State-chartered banks, however, must adhere to state regulations.[24]

B. Consumer Protection Statutes

There is considerable overlap between banking regulations and consumer protection laws. Every state has enacted statutes prohibiting unfair or deceptive acts or practices,[25] but some of these laws afford greater consumer protections than others.[26] Georgia's Fair Business Practices Act (FBPA) is relatively weak; although the FBPA contains broad prohibitions, its constricted scope and many procedural obstacles render it difficult for Georgia residents to recover damages

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[19] *See generally* RICHARD SCOTT CARNELL ET. AL., THE LAW OF BANKING AND FINANCIAL INSTITUTIONS 73-76 (Aspen Pub. 4th ed., 2009).
[20] *See* Julie Andersen Hill, *supra* note 15, at 83-84 & 96-100.
[21] Press Release, Consumer Financial Protection Bureau, Consumer Financial Protection Bureau Launches Inquiry into Overdraft Practices (Feb. 22, 2012), available at http://www.consumerfinance.gov/pressreleases/consumer-financial-protection-bureau-launches-inquiry-into-draft-practices/.
[22] *See* 12 C.F.R. §7.4002(b)(2) ("The establishment of non-interest charges and fees, their amounts, and the method of calculating them are business decisions to be made by each bank, in its discretion, according to sound banking judgment and safe and sound banking principles.").
[23] *See id.* § 7.4002(d) ("State law. The OCC applies preemption principles derived from the United States Constitution, as interpreted through judicial precedent, when determining whether State laws apply that purport to limit or prohibit charges and fees described in this section.").
[24] Julie Andersen Hill, *supra* note 15, at 84-85.
[25] *Id.* at 96 – 97.
[26] *Compare* Texas Deceptive Trade Practices Act, TEX. BUS. & COM. CODE ANN. §§ 17.44(a) ("This subchapter shall be liberally construed and applied…"), *and* Bank One, Tex. N.A. v. Taylor, 970 F.2d 16, 28 n.12 (5th Cir. 1992) (holding that a depositor is a "consumer" of "banking services" within the meaning of the Deceptive Trade Practices Act), *with* Michigan Consumer Protection Act, MICH. COMP. LAWS ANN. § 445.903 (West 2010) (providing an enumerated list of recognized deceptive practices).

in court.[27] For instance, the Bankruptcy Court for the Northern District of Georgia has held that the FBPA does not apply to certain industries which are heavily regulated and covered under other bodies of law.[28] Georgia courts have not yet considered whether FBPA coverage extends to transaction account policies. Existing case law suggests that, given the extensive regulation by multiple federal agencies, transactional accountholders in Georgia would not derive any additional legal benefits from the FBPA.

C. How Existing Laws Affect Unbanked and Underbanked Consumers

Current federal laws promote contradictory policies on how banks should determine their fee-pricing structures and account policies. Older OCC regulations direct banks to adopt higher overdraft fees and returned check charges, reasoning that penalty-type fees would discourage fraudulent check-writing and other misuse of banking services.[29] Under the Truth in Savings Act (TISA), banks may advertise a transaction account as "free" or "no-cost" only if it does not have a minimum balance, does not have a limit on the number of transactions, and does not charge any "regular service or transaction fee."[30] Essentially, an account can be marketed as "free" even if it charges high overdraft, insufficient funds, and other penalty fees.[31] TISA thus incentivizes banks to charge high penalty-type fees in lieu of monthly service charges, enabling banks to preserve the "free" status low-balance accounts and still make a profit.[32]

On the other hand, the latest federal banking regulations discourage banks from charging high penalties.[33] The Federal Reserve's overdraft "opt-in" rule is demonstrative. Under the new regulation, consumers must give banks affirmative permission to pay any debit card transaction that would result in an overdraft.[34] Since the opt-in regulation took effect in 2009 a mere 31% of

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[27] *See* NAT'L CONSUMER LAW CTR., CONSUMER PROTECTION IN THE STATES: STATE-BY-STATE SUMMARIES OF STATE UDAP STATUTES app. B at 33-35 (2009), *and* GA. CODE ANN. § 10-1-396(1) ("Nothing in this part shall apply to [actions] or transactions authorized under laws administered by or rules and regulations promulgated by any regulatory agency of this state or the United States;"…).

[28] *See In re* Taylor, 292 B.R. 434, 436-440 (Bankr. N.D. Ga. 2002) (FPBA remedies not available for claims related to mortgage lending, which is covered by the Federal Truth in Lending Act ("TILA"); *cf.* Brogdon v. Nat'l Healthcare Corp., 103 F. Supp. 2d 1322; *cf.* Chancellor v. Gateway Lincoln-Mercury, Inc., 502 S.E. 2d 799 (Ga. Ct. App. 1998) (FBPA legal remedies did not extend to alleged misrepresentation in a contract for the sale of an automobile because the Federal Reserve regulates finance charges and disclosures by lenders); *cf.* Chancellor v. Gateway Lincoln-Mercury, Inc., 502 S.E. 2d 799 (Ga. Ct. App. 1998) (FBPA legal remedies did not extend to alleged misrepresentation in a contract for the sale of an automobile because the Federal Reserve regulates finance charges and disclosures by lenders).

[29] Julie Andersen Hill, *supra* note 15, at 88.

[30] 12 U.S.C.A. § 4302(d) (West 2011).

[31] Julie Andersen Hill, *supra* note 15, at 100.

[32] *Id.*

[33] *Id.* at 105-107.

[34] 12 C.F.R. §§ 205.12, 205.17.

all accountholders have retained their debit overdraft protection, causing banks to lose billions of dollars in revenue.[35]

Additionally, the FDIC recently set forth guidance that will prompt banks to introduce monthly fees. Here, the FDIC directs banks to minimize customer costs by limiting the amount of transactions per day that may incur overdraft fees.[36] The guidance also provides that banks should identify and reach out to repeated overdraft users and offer them cheaper account options.[37] The OCC likewise is considering a regulation to place caps on daily overdrafts and amounts of fees that may be imposed on accounts per day and per month.[38]

The new Federal Reserve, FDIC and OCC rules directly contradict the underlying policy objectives of older OCC regulations and the Truth in Savings Act – "that customers are best served when banks charge avoidable penalty-type fees."[39] In response to these new regulations, banks have increasingly altered their fee pricing structures - introducing substantial monthly maintenance fees and requiring higher account balances. As "free" accounts continue to disappear, the number of unbanked and underbanked households will inevitably rise in Georgia and nationwide.

Banking Initiatives for Low-Income Consumers, Past and Present

Since the 1990s, several initiatives have been carried out – with varying degrees of success - to make traditional banking more accessible to unbanked and underbanked consumers. These programs may be divided into three categories: federal programs, state mandates, and banks' voluntary efforts.

A. Federal Programs

Various agencies have experimented with basic banking projects. In 2001, the Department of the Treasury ("the Treasury") unveiled its First Accounts program.[40] Under the program, the Treasury awarded grants to community organizations and financial institutions which were used to market and open savings and checking accounts for low-income consumers.[41] The results of

[35] Julie Andersen Hill, *supra* note 15, at 104-105.
[36] FDIC, OVERDRAFT PAYMENT PROGRAMS AND CONSUMER PROTECTION, FINAL OVERDRAFT PAYMENT SUPERVISORY GUIDANCE, Fin. Inst. Letter FIL-81-2010 (Nov. 24, 2010), available at http://fdic.gov/news/news/financial/2010/fil10081.pdf.
[37] *Id.*
[38] OCC, Proposed Guidance on Deposit-Related Consumer Credit Products, 76 Fed. Reg. 33,409. 33,411 (June 8, 2011).
[39] *See* Julie Andersen Hill, *supra* note 15, at 106.
[40] *Id.* at 110.
[41] *Id.*

First Accounts Program were inconclusive, as significant overdraft problems were reported for over half of the newly-opened accounts.[42]

A more promising project was the Model Safe Accounts Pilot, launched by the FDIC in 2011. This was a twelve-month case study to "evaluate the feasibility of financial institutions offering safe, low-cost [accounts] that are responsive to the needs of underserved consumers."[43] Under the pilot program, nine participating banks offered checking accounts that conformed to the FDIC's Model Safe Accounts Template[44] and regularly reported account data and observations to the FDIC.[45] The program findings were encouraging;[46] at the end of the pilot, the FDIC concluded that "safe, low-cost accounts are valuable to consumers and feasible for banks."[47] It is of note that the card-based Model Safe Accounts Template disallowed overdraft transactions and prohibited customers from writing checks, which enabled banks to limit occurrences of account fraud and intentional mismanagement.[48] This suggests that currently unbanked consumers can become stable customers when offered bank accounts with apparent and attractive terms.[49]

Most recently, the Treasury has endorsed the "Bank On model" as a way to reduce barriers to banking and increase access to the financial mainstream. Developed in 2005 by San Francisco's municipal leaders, Bank On is an initiative in which low-cost checking and savings accounts are made available to unbanked and underbanked consumers, while trusted community partners increase awareness, encourage account opening, provide targeted outreach and provide access to financial education.[50] Because the model provides many diverse services, Bank On is conducive to partnerships and collaboration among government entities, nonprofit organizations and financial institutions.[51]

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[42] *See* U.S. DEP'T OF THE TREASURY, FINDINGS FROM THE FIRST ACCOUNTS PROGRAM (Jan. 2009), *available at* http://www.treasury.gov/resource-center/financial-education/Documents/ExecutiveSummary_FirstAccounts_1-9-09.pdf.

[43] *FDIC Model Safe Accounts Pilot,* FED. DEPOSIT INS. CORP. (Apr. 25, 2012), www.fdic.gov/consumers/template/.

[44] The Model Safe Account Template guidelines include, but are not limited to: $1 minimum monthly balance requirement; $10 cap on initial deposit requirements; monthly maintenance fees of $3 or less. *See FDIC Model Safe Accounts Template,* FED. DEPOSIT INS. CORP. www.fdic.gov/consumers/template/template.pdf (last visited Mar. 19, 2013).

[45] Julie Anderson Hill, *supra* note 15, at 111.

[46] Only 21% of new accounts opened were closed before one year for a retention rate of 81%. *See* FED. DEPOSIT INS. CORP., FDIC MODEL SAFE ACCOUNTS PILOT: FINAL REPORT 6 fig.2 (Apr. 2012), *available at* http://www.fdic.gov/consumers/template/SafeAccountsFinalReport.pdf.

[47] *Id.* at 3.

[48] Julie Andersen Hill, *supra* note 15, at 111-112.

[49] *Id.*

[50] U.S. DEP'T OF THE TREASURY, BANKING ON OPPORTUNITY, *supra* note 3, at 6.

[51] CORP. FOR ENTER. DEV., BANK ON: CONCEPTUAL FRAMEWORK (Oct. 2011), *available at* http://joinbankon.org/assets/Bank_On_Conceptual_Framework.pdf

The Bank On model has proven successful: seventy-three Bank On programs have been created in the past eight years.[52] These Bank On "chapters" are commonly operated at a regional level and may be led by various state or local entities such as governors' offices, state treasurers, or regional nonprofit organizations.[53] Because of the localized operation of each Bank On chapter, the model is inherently flexible and has been successfully tailored to meet the needs of communities ranging from rural areas to inner-city neighborhoods.[54]

The Treasury's endorsement of Bank On is particularly significant because it suggests that the Bank On model is adaptable to any area in the country. Furthermore, Bank On's focus on direct collaboration between financial institutions and community partners eliminates the need for new regulations and laws, removing many bureaucratic obstacles and delays that have hindered previous efforts to reach unbanked and underbanked consumers.

B. State Mandates

A handful of states have adopted laws and policies to decrease their unbanked and underbanked populations. Many state governments encourage banks to offer low-cost bank accounts, usually referred to as "basic accounts." Basic accounts feature reduced monthly maintenance fees, limited penalty-type fees, and low minimum balance and initial deposit requirements.[55] By reducing or removing the cost of traditional bank accounts, basic accounts make it easier for low-income consumers to participate in traditional banking.

However, basic accounts are only mandatory in a small minority of states (of which Georgia is not a part). New York and New Jersey have enacted the most aggressive statutes, which require that basic accounts be made available to all consumers.[56] In a handful of other states, banks must offer basic accounts to certain age groups.[57] Furthermore, a Vermont statute authorizes its

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[52] *Bank On Programs,* BANK ON, http://joinbankon.org/programs/ (last visited Apr. 2, 2013) (Bank On lists seventy-three local programs on its website).
[53] U.S. DEP'T OF THE TREASURY, BANKING ON OPPORTUNITY, *supra* note 3, at 15.
[54] *Id.* at 6.
[55] *See Basic Banking Accounts,* N.Y. STATE DEP'T OF FIN. SERV., http://www.dfs.ny.gov/consumer/brbba.htm (last visited Mar. 19, 2013). *See also New Jersey Consumer Checking Accounts,* N.J. DEP'T OF BANKING AND FIN. SERV., http://www.state.nj.us/dobi/division_consumers/pdf/checkinga.pdf (last visited Mar. 19, 2013).
[56] *See* N.J. STAT. ANN. §§ 17:16N-1,:16N-3 (West 2000) (stating that in order to ensure banks "meet the basic banking needs of the communities in which they are authorized to operate" those banks "that maintain[] regular checking accounts in [New Jersey] shall make available to consumers a [basic checking account] at all offices of that depository institution where regular checking accounts are offered or available."); N.Y. BANKING LAW § 14-f (McKinney 2008) ("It is the policy of this state that, consistent with safe and sound banking practices, banking institutions make available lower cost banking services to consumers.")
[57] *Compare* 205 ILL. COMP. STAT. 605/4 (2011), *with* MASS. GEN. LAWS. ch. 167D, § 2 (2011).

banking regulator to promulgate a rule requiring banks to offer "lifeline accounts," but the law "kicks in" only if certain overall economic conditions are met.[58]

C. Banks' Voluntary Efforts to Serve the Unbanked and Underbanked

An increasing number of financial institutions are taking voluntary measures to reach unbanked and underbanked consumers. Several banks and credit unions have agreed to replace their lengthy account disclosure documents with a one-page, standardized "disclosure box" developed by the Safe Checking in the Electronic Age Project.[59] The widespread adoption of the summary disclosure box makes it easier for consumers to understand policies, compare multiple account terms, and make informed banking decisions. Nevertheless, the disclosure box's true potential to empower consumers cannot be unlocked until federal regulators require its use by all financial institutions.[60]

Additionally, many financial institutions have introduced auxiliary financial services in lieu of, or as a supplement to, traditional banking services for low-income consumers: American Express' Bluebird prepaid card provides mobile bill payments and allows customers to reload the card at Wal-Mart; Wells Fargo offers international money transfer services that compete with Western Union and MoneyGram, and Regions offers walk-in bill payment for non-customers.[61]

General purpose reloadable ("prepaid") cards are by far the most popular alternative financial product currently available.[62] Prepaid cards may be appealing to unbanked and underbanked consumers who have been hit with overdraft fees in the past, because they are convenient and offer many of the same features as traditional bank accounts: point-of-sale purchases, paying bills online, and ATM cash withdrawals. However, the prepaid card industry is largely unregulated, resulting in significant differences between prepaid cards and traditional bank accounts. Unlike deposits made to checking accounts, funds loaded onto prepaid cards are not federally insured against bank failures.[63] In addition, prepaid cards' fee structures and

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[58] Julie Andersen Hill, *supra* note 15, at 109 n.237 and accompanying text; *E.g.*, VT. STAT. ANN. tit. 8, § 10504 (West 2011).

[59] SUSAN WEINSTOCK, SAFE CHECKING IN THE ELECTRONIC AGE PROJECT, REGULATORY COMMENT: FINANCIAL HABITS AND PATTERNS OF LOW- AND MODERATE-INCOME HOUSEHOLDS 2 (The Pew Charitable Trusts, Nov. 22, 2011), *available at* http://www.pewstates.org/research/analysis/regulatory-comment-consumer-financial-protection-bureau-streamlining-inherited-regulations-85899387867

[60] *See Id.*at 2-3.

[61] Penny Crosman, *Reaching the Underbanked? Try Offering Control, Research Says,* THE AM. BANKER, Mar. 6, 2013, *available at* http://www.americanbanker.com/issues/178_45/reaching-the-underbanked-try-offering-control-research-says-1057280-1.html?pg=2

[62] The prepaid card industry has grown over 600% in the past five years. PEW CHARITABLE TRUSTS, *Prepaid Cards Research Project: Overview,* PEW CHARITABLE TRUSTS, http://www.pewstates.org/projects/prepaid-cards-research-project-328981 (last visited Mar. 26, 2013).

[63] *Id.*

disclosure policies vary considerably, making it difficult to comparison shop.[64] A small but growing number of prepaid cards even offer overdraft plans, essentially undermining the simplicity and clarity which make them appealing in the first place.[65]

For some consumers, prepaid cards and other alternative financial services present an appealing and reasonable way to make basic, day-to-day transactions. Nevertheless, prepaid cards do not provide the same level of consumer protection as traditional bank accounts, nor do they allow customers to improve credit scores or grow savings with interest-bearing accounts. As prepaid card fees and policies grow increasingly complex, consumers must become more astute when shopping for the financial services that best meet their needs.

Opportunities for Advocacy

The most fundamental way to reduce the number of unbanked and underbanked consumers in Georgia is to do outreach in underserved communities. Since "perceived high cost" is the most popular reason given by low-income consumers for not having a bank account, an education campaign would be the most effective way to dispel common misconceptions and encourage low-income Georgians to return to the financial mainstream. Educational materials should include explain the benefits and costs of both traditional banking and alternative financial products such as prepaid cards.

Additionally, there is room for change at the policy level. Consumer advocacy organizations can follow all relevant developments in federal banking policies, and submit public comments on proposed regulations as necessary. Georgia organizations may also lobby state government officials to pass a law mandating the use of basic accounts.

Advocacy organizations can also work alongside government officials and financial institutions to create a local Bank On program. To date, there is only one active Bank On program in Georgia (Bank On Savannah, led by Step Up Savannah). The Bank On concept already has the support of the Atlanta branches of the FDIC and Federal Reserve Bank, several private organizations, and many large banks in the area.

Financial literacy education could be the lynchpin for making mainstream financial services accessible to low-income Georgians. An effective education program could be implemented quickly, even concurrent to more complex initiatives such as Bank On. Advocacy organizations that hold workshops and distribute informational literature could connect directly with target populations and positively influence their banking behavior.

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[64] PEW CHARITABLE TRUSTS, LOADED WITH UNCERTAINTY: ARE PREPAID CARDS A SMART ALTERNATIVE TO CHECKING ACCOUNTS? 2 (Sept. 2012), *available at* http://www.pewstates.org/uploadedFiles/PCS_Assets/2012/Prepaid_Checking_report.pdf.
[65] *Id.* At 3.