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HEARING REMARKS
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Federal Reserve Bank of Atlanta

Dear: Representatives of the following agencies -- the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, and the Office of Thrift Supervision – thank you, for providing this valuable opportunity for the public to comment on modernizing the regulations that implement the Community Reinvestment Act (CRA).

I, *JENA ROSCOE*, am happy to address you today on behalf of Operation HOPE, Inc.

Operation HOPE, Inc. (HOPE) is a non-profit, public benefit organization, founded immediately following the civil unrest of April 29, 1992 in Los Angeles, California. HOPE is America's leading provider of economic tools and services. HOPE is an effective facilitator, lender, advocate and educator for and on behalf of the other America. Through a series of public/private partnerships and strategic alliances, HOPE has developed and implemented programs focused on connecting the minority community with mainstream, private sector resources, and empowering under-served communities.

I am here today to address the topic on "Access To Banking Services."

According to the July 20, 2010 Pew Health Group's Safe Banking Opportunities Project Report entitled, "Unbanked By Choice: A Look at How Low – Income Los Angeles Households Manage the Money They Earn," half of low – income families in Greater Los Angeles turn to costly and unregulated alternative financial services rather than banks to meet their monetary needs. The study reviewed the financial habits of 2,000 households, with and without bank accounts, finding that one – third of the unbanked conduct all transactions in cash, leaving them open to theft, fraud, and loss. http://www.pewtrusts.org/news_room_detail.aspx?id=59988

This is a troubling study that offers an opportunity on modernizing the regulations the implement CRA.

How Should access to financial services be considered under CRA?

CRA should require financial institutions to provide every adult American with access to an electronic, debit card-accessible depository account protected by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

According to the FDIC's Alliance for Economic Inclusion, there are an estimated 28 million Americans that are "unbanked," and 44.7 million more are "underbanked. Without a bank account, it is virtually impossible to get credit, receive Federal payments, own property, or take part in virtually any aspect of the nation's economic mainstream. Not having a bank account encourages millions of Americans, particularly in America's inner cities and low-wealth communities, to pay excessive fees for basic "financial services," which all too often are payday lenders, check cashers and other non-traditional financial service providers.

The lack of a bank account can have a devastating effect. **Operation HOPE witnessed through its PROJECT HOPE Initiative in the Gulf Coast through our HOPE Coalition America Program in FY2005** that thousands of Hurricane Katrina victims, and victims of other natural disasters, were unable to receive payments from the Federal Emergency Management Agency (FEMA) because they did not have a bank account to which funds could be wired.

Operation HOPE worked to encourage Americans in the Gulf Coast who were eligible for an Earned Income Tax Credit (EITC) to apply. In 2003, nearly one of every four Americans who was eligible for an Earned Income Tax Credit payment failed to claim it – more than $9 billion in EIT C payments went unclaimed. This is a combination of two problems – a lack of financial literacy that limits awareness of this money available to lower-income individuals and a lack of a bank account into which that money could be deposited.

Universal access to a bank account would provide a much-needed education point for those citizens and would likely increase the number of Americans who receive payment from this program.

Operation HOPE has successfully educated more than one million Americans about financial literacy and economic empowerment.

What changes would encourage financial institutions to expand access to un-banked and under-banked consumers in a safe and sound manner and to promote affordable, safe transaction and savings accounts?

CRA should require the funding for any non-profit organizations working on community-based financial literacy programs, and in particular in historically underserved and distressed population areas. Community-based organizations and non-profits have a proven record of effecting change in America in countless areas. There are community-based organizations and non-profits that have the ability to implement financial education programs within their communities immediately and are hampered only by the lack of resources. Community-based and non-profit organizations have demonstrated the ability to accomplish much with modest funding.

Operation HOPE launched in 1996 the first in a series of HOPE Centers in America's under-served communities. With over 400 private sector partners that support our work. Our HOPE Centers are a working "one stop" model location for empowerment that improves the economic quality of life for individuals, families and communities through programs that sustain and create stakeholders. By converting the unbanked into banking customers, renters into home owners and dreamers into viable business owners, increasing net worth, and assisting those facing foreclosure, we work towards our overall mission of eradicating poverty. Operation HOPE has 10 HOPE Center locations in Los Angeles and Oakland California, Washington D.C., New York, Miami, and is inclusive of a virtual HOPE Center in Poway, California. Operation HOPE's ***Banking on Our Future (BOOF) Youth Financial Literacy Program executes a global delivery system for financial education for youth ages 9-18 at no cost to school districts, with a focus on urban, under-served communities.*** Since 1996, over 492,000 students have been empowered to take control of their financial future in over 700 schools and community based organizations, and investment of $8,360,000 into the community.

Should agencies revise CRA to include additional regulatory incentives to provide access to services for historically underserved and distressed areas?

CRA should require financial institutions to create programs for historically underserved and distressed population areas that provide financial resources to develop and implement programs to expand access to financial services for low- and moderate-income individuals who currently do not have an account with an insured depository institution or an insured credit union.

Financial institutions don't offer products appropriate to the historically underserved and distressed population areas to gain access to financial services and in their neighborhoods. Alternative financial services providers, such as check-cashers, payday lenders and pawnshops are predominantly located in low-income, minority neighborhoods while the vast majority of these neighborhoods also have at least one traditional banking institution.

Access to a bank account or relationship with a financial institution should be available to every American Citizen and financial institutions should create specific programs for historically underserved, unbanked, and distressed population areas.

On April 7th, Operation HOPE in Atlanta announced and broke ground on its HOPE Financial Literacy Empowerment Center at Ebenezer Baptist Church. The Operation HOPE Financial Literacy Empowerment Center at the Martin Luther King, Sr. Resource Facility will include a historic alliance between a FDIC – insured bank and other leading financial institutions and major corporations to convert check cashing customers into banking customers, renters into homeowners, small business dreamers into small business owners and entrepreneurs. *[Insert Sun Trust, and/or the names of any financial institution agreed in this partnership.]*

On May 27th, Operation HOPE in Chicago announced a partnership with Citibank to support our Banking On Our Future – BOOF Youth Financial Literacy Program. BOOF, Chicago opened in FY2003 and has educated over 60,000 students in the Chicago Area and 492,000 globally around the basics of dignity, checking, savings, and credit.

On June 9th, Operation HOPE in Los Angeles announced a $1.75 million, 5-year commitment from U.S. Bank to support the national financial literacy empowerment work of Operation HOPE, on-the-ground in communities where HOPE and U.S. Bank operate. The pledge includes $200,000 of financial and in-kind support of the Operation HOPE Financial Literacy Empowerment Center in Maywood, CA.

Please note the following on Operation HOPE for official reference in the written testimony: Operation HOPE has more than 400 private sector partners, 3500 nonprofit organizations and schools, and 100 government partners in 70 major U.S. Cities and seven provinces in South Africa, HOPE has raised more than $500 million in its pursuit of educating, assisting and inspiring the next generation of global stakeholders in financial literacy, economic empowerment and silver rights. Through international initiatives and its principal programs HOPE has delivered services to more than 1.2 million low-wealth individuals and assumed the responsibility of piloting the Silver Rights Movement towards making free enterprise and capitalism relevant to all underserved communities. Ambassador Andrew Young, senior aide to Dr. King in the civil rights movement, serves as global spokesman for Operation HOPE and along with music icon Quincy Jones, serves as co-chair to 5MK (FIVE MILLL ION KIDS), a HOPE initiative aimed at breaking the high school dropout epidemic in America. To learn more about HOPE, visit www.operationhope.org and www.5MK.org, or read our blog at www.operationhope.org/blog.