

CDBA Peer Forum ***Financial Inclusion***

BILL DANA- MAY 26, 2015



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Prepaid Debit Cards for the Underbanked



- Cards are reloadable with minimal fees
- Point of sale accessible – national and international
- Cards cannot be overdrawn
- Track spending, plan budgets, access balance all online
- No charge for ATM withdrawals within our network
- Cheaper than cashing checks and purchasing money orders
- Immediate liquidity – funds that are direct deposited are available right away. No waiting for your check to clear.
- Text and email alerts for balances
- Shop online, pay bills, buy groceries, gas, and more



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Prepaid Debit Card Fees and Features



	<i><u>General Purpose Reloadable</u></i>	<i><u>Payroll Cards</u></i>
Purchase Fee	\$4.95	\$0.00
Monthly Fee	\$3.00	\$0.00
ATM Fee	\$1.50	\$0.00 per pay period
No Overdrafts	✓	✓
No Credit Check	✓	✓
No Check Cashing fees	✓	✓
Easy on line access	✓	✓
Budget features	✓	✓
SMS Text alerts	✓	✓



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Underbanked Checking Account



- No Telecheck or Chex Systems call
- Electronic account
- FREE
 - ❖ e-statements,
 - ❖ ATM transactions,
 - ❖ debit card,
 - ❖ unlimited transactions,
 - ❖ on line banking,
 - ❖ mobile banking,
 - ❖ bill pay
- \$100 Minimum balance
- No Service Charge



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Next Step KC Loan Program



NextStepKC

Partnering to build strong families – one financial step at a time



LIVE UNITED
United
Way

United Way of
Greater Kansas City
unitedwaykc.org

Small Dollar Loan Program

- Alternative to payday loans
- Refined underwriting standard that keeps improving
- 20 partners who provide initial underwriting
- Donations support the losses in the form of a guarantee to bank
- 36% APR-- Split with the Facilitator
- Guaranteed 128 loans in 2014, 75 of which were new loans
- Total dollars \$76,000-- Average loan size is \$500
- Default rate: 9%
- 70% of our clients are low-to-moderate income
- Six Counties served



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Reducing the Reliance on Payday Loans



Fair Alternatives Thru Easy Access

- **On line loan applications**
 - ❖ Possibly a CDFI bank portal?
 - ❖ To include CDBA banks
 - ❖ CDFI Banks
 - ❖ CDFI Credit Unions
 - ❖ Employers
- **Well advertised**
- **Well funded**
- **Selecting only the right borrowers**
- **Multiple load options**
 - ❖ Checking Accounts
 - ❖ Paper check
 - ❖ Prepaid Cards



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Thank You

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