

# THE FINANCIAL SERVICES ROUNDTABLE

June 4, 2010

The Honorable Sheila Bair  
Chairman  
Federal Deposit Insurance Corporation  
1776 F Street, NW, Washington, DC 20006  
Washington, DC

## **Re: FDIC Proposed Templates for Safe, Low-Cost Transactional and Basic Savings Accounts**

Dear Chairman Bair:

The Financial Services Roundtable (“Roundtable”) represents 100 of the largest integrated financial services companies providing banking, insurance, and investment products and services to the American consumer. Thank you for the opportunity to submit comments to the FDIC’s proposed templates describing features for low-cost transactional and basic savings account products for low- and moderate-income (LMI) consumers. We appreciate the significant work by the FDIC’s Advisory Committee on Economic Inclusion on these important issues, and we applaud the FDIC’s efforts to ensure that LMI consumers have access to the benefits of financial services.

Our members believe that starting a banking relationship is the first step toward securing an individual’s financial future and can be an immediate cost-saving measure for individuals and families, many of whom rely on check-cashers and paycheck loan services that charge excessive fees. Our members are always looking for ways to help people use more cost efficient traditional financial institutions.

We believe that a low fee checking or savings account can be mutually beneficial to financial institutions and LMI consumers as long as transparent pricing structures are enacted across all products and features. We do note that free accounts are not always a viable option in that they do not fully cover a bank’s costs of providing the accounts, the rising expense of building and maintaining distribution capabilities, paying deposit insurance assessments, and ensuring that security and fraud protection measures are in place. As a result, while such costs will differ based on the size and type of institution, the suggestion that financial institutions offer a free account to a certain segment of the population does present some concerns for financial institutions.

Offering accounts at a fair, transparent and predictable price allows customers to compare a bank’s products and services between banking entities and alternatives,

such as pre-paid debit cards, check cashing fees and other services. Many of our member banks provide alternative accounts that encourage savings or waive account maintenance fees when a customer elects to use automatic funds transfer or maintains a low average daily balance. These low thresholds, combined with low minimum opening balance requirements, provide options for LMI customers and encourage savings while balancing the needs of customers for low cost and convenient savings accounts with a bank's safety and soundness goals.

The FDIC should take into account that any accounts considered in the templates would need to be available to the general population. Banks cannot restrict access to particular products to only LMI customers; any customer who wanted such an account regardless of their income would be eligible for it. Such broad availability would likely further increase costs to banks and raise safety and soundness concerns.

The Roundtable believes that the templates could serve as a guideline for low-cost accounts, and banks that offer products similar to the FDIC template should be given additive credit as part of their Community Reinvestment Act (CRA) exam. Nonetheless, given the costs and safety and soundness considerations, banks that do not offer such a product should not be penalized as part of their CRA exam.

Thank you again for the opportunity to share our views with you on this subject. If you have any questions, please feel free to contact Brian Tate, or me at 202-289-4322.

Sincerely,

A handwritten signature in black ink that reads "Richard M. Whiting". The signature is written in a cursive, slightly slanted style.

Richard Whiting  
Executive Director and General Counsel