

## TITLE XII: IMPROVING ACCESS TO MAINSTREAM FINANCIAL INSTITUTIONS

- **Purpose:** This title encourages initiatives for financial products and services that are appropriate and accessible for Americans with low and moderate incomes including small dollar loan programs. Entities desiring to participate or obtain a grant must submit an application to the Secretary. The Secretary gets such funds as necessary. Grants to establish loan-loss reserve funds shall receive the amount necessary for the operation of the grant program.
- **Expanded Access to Mainstream Financial Institutions:** The Secretary of Treasury can promote initiatives designed to enable low and moderate income people to establish and improve access to accounts in federally insured depository institutions.
  - An eligible entity may offer or provide products and services relating to accounts including small dollar value loans and financial education and counseling.
- **Lost Cost Alternatives to Payday Loans:** Authorizes grants for the Secretary, along with eligible entities, to provide low-cost, small loans to consumers as alternatives to payday loans.
  - Loans shall be made on terms and conditions reasonable for consumers.
  - Entities awarded a grant under this section must promote financial literacy and education opportunities to each consumer provided with a loan.
- **Grants to Establish Loan-Loss Reserve Funds:** Amends the Community Development Banking and Financial Institutions Act of 1994.
  - Makes financial assistance available from the Fund to help community development financial institutions defray the costs of operating small dollar loan programs.
- **Annual Report to Congress:** The Secretary must submit an annual report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House containing a description of the activities funded, amounts distributed, and measurable results as appropriate.

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