FPP Coalition 2021-2022 Tax Season
Rapid Virtual Session:
“What Do You Do When You Encounter a Taxpayer With No Relationship With a Financial Institution?”
An Information and Q & A Session Open to All
Tuesday, March 29, 2022
2:00 p.m. – 3:00 p.m. Eastern
A Thank You to FPP Coalition Funders
2022 FPP Coalition Conference

FPPConference.org

May 31 – June 3, 2022

ELEVATING FINANCIAL CAPABILITY FOR ALL
This Session’s Format is Immersive and Interactive!
First Opportunity for You to Engage . . .

WHAT’S YOUR Why?
Meet Your Guest Experts

FLTaxesOnline.org

ELEVATING FINANCIAL CAPABILITY FOR ALL
The FDIC conducts a national survey every two years, for the past ten years, regarding unbanked households and use of financial services.

2019 FDIC Survey: How America Banks: Household Use of Banking and Financial Services
Who are the Unbanked?

**Unbanked:** No one in the household had a checking or savings account at a bank or credit union (i.e., bank)

<table>
<thead>
<tr>
<th>Area</th>
<th>2019</th>
<th>2017</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>5.4%</td>
<td>6.5%</td>
<td>7.0%</td>
</tr>
<tr>
<td>Florida</td>
<td>3.8%</td>
<td>6.0%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Tampa-St. Petersburg-Clearwater Metropolitan Statistical Area (MSA)</td>
<td>1.0%</td>
<td>8.0%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Orlando-Kissimmee-Sanford MSA</td>
<td>3.5%</td>
<td>3.4%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Miami-Ft. Lauderdale-West Palm Beach MSSA</td>
<td>3.9%</td>
<td>8.0%</td>
<td>7.4%</td>
</tr>
</tbody>
</table>

- Unbanked households have financial services needs
- The data suggest many of these households do not see the banking system as interested in meeting their needs
- There are indications that these consumers are increasingly open to new and different forms of engagement

Who are the Underbanked?

Underbanked: No one in the household had an account at an insured institution but also obtained financial products or services outside of the banking system – Alternative Financial Services (AFS)

Transaction AFS
- Check Cashing
- Money Orders
- International Remittance Transfers
- Bill Payment Services
- Person-to-Person Payment Services (P2P)

Credit AFS
- Payday Loans
- Tax Refund Anticipation Loans (RALs)
- Rent-to-Own Services
- Pawn Shop Loans
- Auto Title Loans

Getting a tax refund this year? Don’t have an account? There is still time to #GetBanked.

The fastest way to get your tax refund is to have it electronically deposited for free into your bank account with direct deposit.

If you would like to link the FDIC’s #GetBanked resources to your website, contact AAtkins@FDIC.gov
Account Access: #GetBanked Resources

Find a Bank
The FDIC’s BankFind tool can help you locate an FDIC-insured bank in your area. In addition, the following organizations have compiled lists of banks that offer accounts that can be opened online:

- Bank On
- American Bankers Association
- Independent Community Bankers of America

Additional Government Resources:
- Internal Revenue Service
  - Get Your Refund Faster
  - Where’s My Refund?
- Consumer Financial Protection Bureau
  - Tax Time: An Opportunity to Start Small and Save Up
- U.S. Department of Veterans Affairs
  - Veterans Benefits Banking Program
- FDIC Social Media Toolkit
  - Social Media Toolkit
Encontrar un banco

La herramienta BankFind de la FDIC puede ayudarlo a localizar un banco asegurado por la FDIC en su área. Además, las siguientes organizaciones han compilado listas de bancos que ofrecen cuentas que se pueden abrir en línea:

• Bank On
• American Bankers Association (en inglés)
• Independent Community Bankers of America (en inglés)

Razones principales para #GetBanked

Abrir una cuenta bancaria puede ser uno de los pasos más importantes que tome para alcanzar sus metas financieras. ¿Por qué? Porque depositar sus dineros en una cuenta bancaria asegurada por la FDIC, puede ofrecer seguridad financiera, al acceder a sus fondos, ahorrando en las tarifas de cambio de cheques y tranquilidad financiera general. Si actualmente no tiene una cuenta bancaria, pero está pensando en abrir una, aquí hay algunas cosas que debe considerar:

Account Access: #GetBanked Resources in Spanish
“What are the advantages to the taxpayer, or any person/household you serve, to having a bank/credit union account?”
Banking & Consumer Protection

If you have an account or a loan with a financial institution, you have certain rights and protections under the law.
Banking & Consumer Protection

• Opening an Account
• Depositing Checks
• Debit Cards
• Disclosures & Transparency on Fees
• Process for Errors and Complaints

• Applying for a loan
• Making payments
• Credit Cards
• Disclosure & Transparency on Costs
• Process for Errors and Complaints
The CFPB

- Established in 2011 as an independent bureau that writes federal consumer financial regulations.
- Along with the other federal financial regulators, the CFPB enforces consumer regulations for financial institutions.
- CFPB also has authority over nonbanks, like payday lenders.
- CFPB collaborates with other agencies, like HUD and FTC.
Separating Facts From Community “Legend”

“What is required to open a bank or credit union account?”
What is Required to Open a Bank Account?

• Bank Secrecy Act | Customer Identification Program (CIP)
• A bank must obtain, at a minimum, the following information from the customer prior to opening an account:
  – (1) Name;
  – (2) Date of birth, for an individual;
  – (3) Address (generally not a PO Box)
What is Required to Open a Bank Account?

• A bank must obtain, at a minimum, the following information from the customer prior to opening an account:
  – (4) Identification number, which shall be:
    • (i) For a U.S. person, a taxpayer identification number; or
    • (ii) For a non-U.S. person, one or more of the following: A taxpayer identification number; passport number and country of issuance; alien identification card number; or number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard.

These requirements should be supplemented by risk-based verification procedures, to ensure that the bank has a reasonable belief that it knows each customer’s identity.
Regulatory Guidance

• Can a bank open an account for a *U.S. person* that does not have a taxpayer identification number?
  
  – *No*, the bank cannot unless the customer has applied for a taxpayer identification number, the bank confirms that the application was filed before the customer opened the account, and the bank obtains the taxpayer identification number within a reasonable period of time after the account is opened.
Regulatory Guidance

• Can I get a checking account without a social security number?
  – You are not required to have a social security number to open a checking or savings account.
  – To open a checking or savings account, the bank or credit union will need to verify your name, date of birth, address, and ID number.
  – An ID number can be a social security number or an Individual Taxpayer Identification Number (ITIN).
Regulatory Guidance

• Can I get a checking account *without a driver's license*?
  
  – Banks and credit unions are required to verify your identity when you apply to open an account. If you don’t have a driver’s license, ask what other types of identification will be accepted.*

*The rules leave some discretion to banks and credit unions on what forms of ID to accept.*
Key Takeaways

• In addition to financial safety, having a bank account provides you with legal rights and protections.

• Opening an account does require identifying information.
  – Some information is required by law
  – Some information is discretionary by the financial institution

• Engage financial institutions in your community to understand their banking services that can meet the needs of those you serve.
Resources

• CFPB

• OCC
  – https://www.helpwithmybank.gov

• Article

Lisa Mifflin
District Community Affairs Officer
Office of the Comptroller of the Currency
lisa.Mifflin@occ.treas.gov
✓ 11% With No Account Noted for Direct Deposit
✓ More National Banks than Local Banks or Credit Unions
Engaging With Taxpayers In and Beyond Florida

“What other trends are we seeing in VITA Programs and Sites?”
Encountering a Taxpayer With No Bank/CU Relationship

“I see that you have not listed an account for direct deposit. How open might you be to establishing a credit union or bank account?”
“How do you see yourself interacting with your account . . . using your phone, or going into a building?”
“Homework” for Non-Profit Organizations/VITA

The Financial Capability Continuum

- Financial Crisis
- Financial Stability
- Financial Security
- Financial Well-Being
- Financial Prosperity

ELEVATING FINANCIAL CAPABILITY FOR ALL
“Homework” for Non-Profit Organizations/VITA

✓ Establish a “Short List” of Bank and Credit Union Options

✓ Equip Team With the “Short List” and the Ability to Facilitate The Conversation
“Homework” Partners Contact Information

✓ April Atkins, FDIC
   Aatkins@FDIC.gov

✓ Lisa Mifflin, OCC
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✓ Patrick Eichholtz
   Patrick@FPPCoalition.org
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