

Minutes

of

The Meeting of the FDIC Advisory Committee on Economic Inclusion

of the

Federal Deposit Insurance Corporation

Held in the Board Room

Federal Deposit Insurance Corporation Building

Washington, D.C.

Open to Public Observation

October 24, 2007 - 8:53 A. M.

The meeting of the FDIC Advisory Committee on Economic Inclusion ("ComeE-IN" or "Committee") was called to order by ComeE-In Chairman Diana L. Taylor.

The members of ComeE-IN present at the meeting were: Diana L. Taylor, ComeE-IN Chairman and immediate past New York State Superintendent of Banks; Ted Beck, President and Chief Executive Officer, National Endowment for Financial Education; Martin Eakes, Chief Executive Officer, Self-Help/Center for Responsible Lending; Ester R. Fuchs, Professor, School of International and Public Affairs, Columbia University; Ronald Grzywinski, Chairman, ShoreBank Corporation of Chicago; Frederic S. Mishkin, Governor, Federal Reserve System; Manuel Orozco, Senior Associate at the Inter-American Dialogue, and Senior Researcher, Institute for the Study of International Migration, Georgetown University; Maria Otero, President and Chief Executive Officer, ACCION International; Peter Tufano, Sylvan C. Coleman Professor of Financial Management, Harvard Business School, and Senior Associate Dean and Director of Faculty Development; and Elizabeth Warren, Leo Gottlieb Professor of Law, Harvard University. Committee member Rev. Dr. Floyd H. Flake, Senior Pastor, Greater Allen AME Cathedral of New York, participated by telephone. Erica F. Bovenzi, Designated Federal Officer for the Committee and **Deputy General Counsel of the Federal Deposit Insurance Corporation** ("Corporation" or "FDIC"), was also present at the meeting. Committee members Lawrence K. Fish, Chairman and Chief Executive Officer, Citizens Financial Group, Inc.; Wade Henderson, President and Chief Executive Officer, Leadership Conference on Civil Rights, and Counselor to the Leadership Conference on Civil Rights Education Fund; Alden J. McDonald,

Jr., President and Chief Executive Officer, Liberty Bank and Trust Company, New Orleans, LA; John W. Ryan, Executive Vice President, Conference of State Bank Supervisors; Robert K. Steel, Under Secretary of the Treasury for Domestic Finance, U.S. Department of Treasury; and Deborah C. Wright, Chairman and CEO, Carver Bancorp, Inc., were absent from the meeting.

Members of the Corporation's Board of Directors present at the meeting were Thomas J. Curry, Director (Appointive) and, for the afternoon session, Martin J. Gruenberg, Vice Chairman. Corporation staff that also attended the meeting included Alice C. Goodman, Robert W. Mooney, Barbara A. Ryan, Lisa K. Roy, William A. Rowe, III, Jesse O. Villarreal, Janice Butler, Sara A. Kelsey, Andrew S. Gray, David M. Barr, Robert E. Feldman, Lisa D. Arquette, Mindy West, Andrew B. Stirling, Jr., Rae-Ann Miller, Joan S. VanBerg, Andrea J. Winkler, Carl J. Gold, Leneta G. Gregorie, Thomas E. Nixon, Kathryn A. Samolyk, Susan E. Burhouse, Michael J. DeLoose, Sally J. Kearney, Christine M. Davis, Vincent P. Moore, Phillip D. Telford, Douglas K. Wallace, Joshua L. Hofflinger, and Pat D. Murphy.

Patricia J. Cirillo, Ph.D., President, Cypress Research Group; Joseph Coleman, President, Rite Check Financial Service Centers, and Chairman, Joint Industry Committee; Paul Dwyer, co-founder and Chief Executive Officer, Viamericas Corporation; Jamal El-Hindi, Associate Director for Regulatory Policy and Programs, Financial Crimes Enforcement Network; Thomas E. Haider, Senior Vice President, Government Affairs, and Compliance Officer, MoneyGram International, Inc.; Terence Keenan, Senior Vice President, Corus Bank, N.A., Chicago, Illinois; Michael J. Lynch, Vice President and Manager, Money Services Division, Banco Popular North America; Regina Stone, Deputy Superintendent, New York State Banking Department; and Keith Ward, President and Chief Executive Officer, United Central Bank, Garland, Texas, also attended the meeting.

Committee Chairman Taylor opened and presided at the meeting.

On behalf of FDIC Chairman Sheila C. Bair and Vice Chairman Gruenberg, Director Curry welcomed ComE-IN members and guest speakers and provided updates on the small dollar loan pilot study recommended for approval by the Committee at its inaugural meeting in March 2007, and recent legislative developments arising from the **subprime** mortgage crisis. Director Curry then indicated that the purpose of the meeting was to discuss the nature of money service businesses ("**MSBs**"); where they intersect with current regulatory requirements, particularly the Bank

October 24, 2007

Secrecy Act ("BSA"); and the role they can play in encouraging greater access of the underbanked to the banking system.

Jamal El-Hindi, Associate Director for Regulatory Policy and Programs, Financial Crimes Enforcement Network ("FinCEN"), then discussed the impact of BSA on MSBs. He explained that because not all MSBs are required to register with FinCEN, there has been some difficulty in accurately identifying the number of MSBs; the extent to which MSBs have encountered a loss of banking services; and the extent to which any such loss of banking services is attributable to BSA, as opposed to other market forces.

Mr. El-Hindi then identified some of FinCEN's more recent activities relative to BSA compliance, including its April 2005 advisory, entitled "Guidance to Money Services Business on Obtaining and Maintaining Banking Services"; its April 2005 joint issuance with the FDIC and other federal banking regulators, entitled "Interagency Interpretive Guidance on Providing Banking Services to Money Services Businesses Operating in the United States"; and its March 25, 2006, advance notice of proposed rulemaking ("ANPR") to solicit updated facts and recommendations on the issue of access to banking services by MSBs.

Mr. El-Hindi discussed some of the steps taken to address concerns highlighted in response to the ANPR. He advised that the Federal Financial Institutions Examination Council had revised its Bank Secrecy Act/Anti-Money Laundering ("AML") Examination Manual to specifically incorporate the earlier guidance and to include a discussion of various risk mitigants as a corollary to the discussion of risks. He also advised that FinCEN had recently issued guidance to MSBs addressing common mistakes in filing Suspicious Activity Reports ("SARS") and is collaborating with the Internal Revenue Service ("IRS"), federal banking agencies, and state regulators to share information, coordinate their anti-money laundering efforts, and develop MSB examination materials. Mr. El-Hindi addressed the reasons for the limited factual information regarding the actual number of MSBs and the problems they encounter in accessing banking services; the steps and costs associated with BSA compliance; and the reasons for ongoing discontinuance of banking services for MSBs in light of recent regulatory efforts to clarify BSA requirements as they relate to providing such services to MSBs.

Regina Stone, Deputy Superintendent, New York State Banking Department, then discussed the licensing, supervision, and examination of MSBs in New York. Ms. Stone provided a general overview of state licensing and supervision of MSBs, advising that 46 states and territories have some MSB licensing and registration requirements; and that, through the efforts of the

October 24, 2007

Money Transmitters and Regulators Association ("MTRA"). approximately 40 states have executed cooperative agreements for information sharing and unification of their examination procedures. She then provided a brief history and overview of New York's regulation of money transmitters and check cashers and a current snapshot of the industry, noting that money transmitters and check cashers together were responsible for transactions in the amounts of \$104 billion and \$17 billion, respectively.

Next, Ms. Stone explained New York's licensing review and examination process. Referring to participants in the MSB industry as "partners," Ms. Stone stated that among the partners are the customers who need the financial services provided by MSBs; the MSBs themselves; the banks which provide banking services to the MSBs; MSB and bank regulators and federal and state regulators which, she suggested, need to become more familiar with each other's operations; and law enforcement personnel, who are helpful in identifying illegal or unlicensed street-level MSB activity.

Ms. Stone identified as challenges the need to evaluate the MSB definition to ensure consistency; convergence of regulatory standards via information sharing and education; concentration of MSB account servicing within the banking industry; communication between and education of the banking and MSB industries, including regulators and law enforcement; and consumer education. She underscored the importance of consumer access to financial services, whether through MSBs or the banking industry, and the need for continued communication between the banking and MSB industries.

The ensuing discussion among Committee members and Ms. Stone touched on the improving nature of communication between MSB regulators and state and federal bank regulators due, in part to the outreach efforts of the MTRA and the Conference of State Bank Supervisors; and concerns about the potential for interruption of services to consumers arising from de-banking events when MSB banking services are concentrated in only a few financial institutions. Ms. Fuchs inquired about the types of penalties imposed for unlicensed or noncompliant activity, in response to which Ms. Stone advised that noncompliance with BSA or other regulatory requirements could result in significant fines and/or license suspension or revocation and that unlicensed activity could result in asset forfeiture and/or imprisonment.

Committee Chairman Taylor announced that the meeting would recess briefly. Accordingly, at 10:35 a.m., the meeting stood in recess.

October 24, 2007

* * * * *

The meeting reconvened at 10:41 a.m. that same day, whereupon Committee member, Manuel Orozco, Senior Associate at the Inter-American Dialogue, and Senior Researcher, Institute for the Study of International Migration, Georgetown University, discussed issues associated with remittances and the opportunities they create for banks. He observed that two major developments are responsible for the dramatic increase in remittances: integration of the labor market into a global economy, with mobility of foreign neighbors into different countries, and resulting transnational economic activities, with outbound remittances from the United States, primarily to Latin American and Asian countries, nearing \$100 billion. He then provided a profile of remittance customers and observed that there has been an increase in the number of migrant remitters using banks. Mr. Orozco identified usability and openness as factors impacting the access of immigrants to financial services, and lack of interest in the migrant market and lack of knowledge of the demand for financial services, including remittances, in the migrant community as reasons that more banks are not providing such services.

Mr. Orozco concluded his remarks by offering the following recommendations for linking the demand for financial services in the migrant community to banks: (1) development of targeted goals and standards to the different cohorts in the migrant community; (2) development of methodologies, such as offering affordable small dollar loans, to accelerate banking rates; (3) development of partnerships between money transfer operators and depository institutions such as the one that exists between MoneyGram and U.S. Bank; and (4) education efforts to enhance the financial literacy of the migrant population.

Committee members and Mr. Orozco explored in more detail the significant savings rate among migrants who save and where unbanked savers keep their savings, as well as the extent to which expansion of banking services to meet the check-cashing, short-term loan, and remittance needs of the migrant community would expand their security and safety. In response to a question from Mr. Tufano as to whether pricing of banking services acts as a deterrent to migrants, Mr. Orozco explained that the issue is more one of financial literacy, but from a marketing as opposed to an academic standpoint.

Lisa D. Arquette, Associate Director, Anti-Money Laundering Section, FDIC Division of Supervision and Consumer Protection, moderated a panel composed of Joseph Coleman, President, Rite

October 24, 2007

Check Financial Service Centers, and Chairman, Joint Industry Committee, Financial Service Centers of America (FiSCA); Patricia J. Cirillo, Ph.D., President, Cypress Research Group; Paul Dwyer, co-founder and Chief Executive Officer, Viamerica Corporation; and Thomas E. Haider, Senior Vice President, Government Affairs, and Compliance Officer, MoneyGram International, Inc.

Mr. Coleman began by showing a short video of various MSB customers and owner/operators discussing MSB services. He then discussed the differences between bank and financial service center ("FSC") business models, indicating that the former are account relationship based, favor low transaction, high-balance accounts, and based on a fiduciary relationship, whereas the latter are fee for service transaction based, seek high transaction volumes, and are based on a non-fiduciary relationship. He suggested that FSCs evolved to meet their customers' well-identified needs of liquidity, access, service, and fee transparency, and that the FSC business model has led to several innovations.

Mr. Coleman stated that, contrary to myth, FSCs have an exemplary compliance record; that bank regulators, because they believe the myth, have exerted pressure on banks that serve the MSB industry; and that the resulting instances of discontinuance place the MSB industry in a precarious position, despite the good faith efforts of the federal bank regulatory agencies to address the problem. He highlighted the topic of small dollar loans, noting the demonstrated need for such products, the significant participation of FSCs in meeting that need, and the substantive issues raised by consumer advocates regarding FSC loan products. He suggested the creation of a task force to initiate a rational, fact-based dialogue regarding possible changes to the loan products to better meet consumer needs, while maintaining a sustainable product for providers.

Next, Ms. Cirillo provided in-depth demographic information on FSC customers and discussed the reasons they choose FSCs to meet their financial service needs. She cited as perhaps most important the relationships they establish with FSC employees, who know them by name and treat them with respect. Comparing traditional financial service outlets such as banks and credit union to FSCs, she observed that the focus of traditional outlets is to invest heavily in technologies that are designed to get customers out of branches, whereas FSC innovation and infrastructure are designed to keep customers in the branches to meet their desire for in-person services.

Mr. Dwyer briefly discussed the magnitude of family remittances, their direct impact on the alleviation of poverty,

October 24, 2007

and the role that licensed remittance companies play in providing those services. He then discussed Viamericas's experience with banking discontinuance, citing several instances in which its banking services had been terminated because of the perceived risk of MSBs and arduous compliance issues. He warned that the trend for large national banks to decline banking services to all but the largest publicly traded remittance companies impacts the cost of services offered by other remittance companies and threatens competition. Mr. Dwyer stated that licensed remittance companies are faster, cheaper, and better at offering money transfer services than banks, and that regulatory actions taken against banks in the AML area have, almost without exception, been based on internal bank misconduct or related to banking of unlicensed remittance operations.

Mr. Dwyer summarized the reasons licensed remittance companies are uniquely qualified to serve transnational families and left the Committee with three calls to action: (1) the need to dispel the myth of extreme risk for banks offering accounts to licensed remittance companies; (2) the need for field examiners to be educated on licensed remittance companies and less hostile to their accounts; and (3) the need for specific incentives for banks to serve licensed remittance companies.

Mr. Haider provided a brief overview of the history and operations of MoneyGram International. He addressed compliance and training, transaction analysis, reporting, licensing, and registration which underlie the principle of **security/AML**, and the issues of pressure to lower the cost of services, enhancement of consumer disclosures, and expansion of the agent network which underlie the principle of economic inclusion; how to bring the two principles into better balance; and MoneyGram's activities in each of those areas. He offered the following recommendations: adoption of an optional federal charter to promote greater uniformity, consistency, and clarity in the regulation of MSBs; revision of the definition of MSB so that small operations do not have the same requirements as larger entities like MoneyGram; fostering greater partnerships and linkages between MSBs and banks; and addressing bank discontinuance, either through revised or additional guidance, or support of legislative action to reduce the regulatory burden on banks to act as de facto regulator of their MSB customers.

Mr. Coleman then concluded the panel presentations by offering the following **10 FiSCA** recommendations: (1) include **FiSCA** as a partner on the Committee to initiate the dialogue to address services to low and moderate income consumers; (2) encourage use of the FSC network as a ready-made channel to reach low and moderate income consumers; (3) provide banks the

October 24, 2007

direction, incentive, and motivation to make banking services available to FSCs; (4) actively support the bank discontinuance bill when it is introduced and otherwise work to end bank discontinuance; (5) dispel the myths about the compliance burdens and risks posed by MSBs and replace them with facts; (6) expand access to credit by endorsing use by banks of alternative credit scores, such as those developed by Payment Reporting Builds Credit; (7) promote expansion of savings programs such as **FISCA's NetSpend** Program to encourage low and moderate and income consumers to take advantage of such opportunities; (8) promote expansion of partnerships and alliances between banks, credit unions, and FSCs; (9) promote financial education programs that reflect demonstrated needs and preferences of low and moderate consumers who use FSCs; and (10) form a small loan task force comprised of regulators, consumer advocates, and FSC providers to foster dialogue about the best ways to ensure availability of such products and other forms of credit, while ensuring consumer protections from lending abuses.

Committee members and panelists briefly explored reasons for the concentration of FSCs in African-American and Hispanic communities; and engaged in more in-depth discussion of the reasons MSBs have a negative image and are perceived as inherently risky, and what actions could be taken to improve their image. Mr. Coleman suggested that MSBs are viewed as predatory simply because they make a profit on low-income customers; Mr. Eakes suggested that payday lending is the issue that most tarnishes the reputation of MSBs; and Mr. Haider suggested that the perception of risk arises from the **cash-intensive** nature of the business and the lack of traditional account relationships. Ms. Fuchs agreed with the earlier statements of panelists regarding the need to clarify the definition of MSB to differentiate between various segments of the industry, pointing out that the existing definition contributes nothing to advancing the debate and developing a rational MSB policy; and Committee Chairman Taylor suggested that the MSB industry needs to work more closely with regulators to improve their reputation. Mr. Orozco recommended that bank regulators look at the internal processes of compliance platforms and security models to determine how the systems can be used to improve risk avoidance; and Committee Chairman Taylor suggested that rather than pushing for one federal MSB regulator, MSBs instead need one uniform system of regulation, whether administered at the federal or state level.

Committee Chairman Taylor announced that the meeting would recess for lunch. Accordingly, at 1:27 p.m., the meeting stood in recess.

October 24, 2007

* * * * *

The meeting was reconvened at 2:24 p.m. that same day at which time Committee Chairman Taylor introduced Keith Ward, President and Chief Executive Officer, United Central Bank, Garland, Texas; Terence Keenan, Senior Vice President, Corus Bank, N.A., Chicago, Illinois; and Michael J. Lynch, Vice President and Manager, Money Services Division, Banco Popular North America, to discuss bankers' perspectives on access of MSBs to the banking system.

Mr. Ward provided a brief history and profile of United Central Bank, focusing on its establishment to fill the financial services void for the Asian-American population in the Dallas-Fort Worth area and its development of a unique set of products to meet the needs of its customer base. He then explained that the bank's decision to continue to service MSBs, at a time when many banks elected to discontinue such services, was based on risk and profitability analyses and the bank's highly rated BSA/AML program. He suggested that, in light of the overabundance of SAR and currency transaction report ("CTR") filings, the BSA/AML program could be enhanced by increasing the threshold for filing CTRs; and that other possible enhancements could include government-imposed limitations on services for MSBs, such as a dollar limit on checks that can be cashed by an MSB and a limit on the number and dollar amount of checks that can be cashed by any one person on any one day.

In response to questions by Committee Chairman Taylor regarding the proportion of MSB applications disapproved by United Central Bank and the profit margin on the bank's MSB accounts versus its profit margin on other accounts, Mr. Ward advised that MSBs apply with FinCEN and the bank merely monitors the documentation process; that, therefore, it does not necessarily disapprove applications; and that very few of the MSBs the bank services have had their accounts terminated. With respect to profit margins, he advised that the fee income from MSBs has been significant.

Mr. Keenan presented a brief profile of Corus Bank and indicated that it also services check cashers, a business it entered into via acquisition of a subsidiary, and that the bank, together with Banco Popular, services approximately 95 percent of the MSB check cashers in Chicago. He stated that the bank is very committed to servicing the highly regulated check cashing community, with such servicing generating a significant portion of the bank's fee income.

October 24, 2007

Mr. Lynch advised that Banco Popular is one of the largest providers of bank services to check cashers in the United States and that the bank has found them to be excellent clients. He explained that MSB check cashers are far safer than many other businesses and they are very easy to monitor and regulate because they are registered with FinCEN; undergo Title 31 examinations; undergo very extensive licensing processes, at least in the states the bank services; and are subject to annual audits once licensed. Reporting that the average size check cashed is just over \$400 and that the average money order sold is about \$190, Mr. Lynch observed that these are not good vehicles for money laundering or tax evasion.

Committee members, panelists, and FDIC staff then explored why banks are discontinuing services to MSBs; the loss experience of panelists' banks with check cashing operations; panelists' lack of interest in doing business with money transmitters and their experiences with financing payday lenders; and whether panelists would continue due diligence if a safe harbor was established for licensed check cashers. Mr. Ward speculated that discontinuance occurs because banks have the perception that regulations applicable to MSBs are onerous and they are deterred by the large fines that have been levied against a few banks for BSA/AML violations. Regarding loss experience with check cashing operations, the panelists all agreed they were negligible or nonexistent because check cashers are generally good credit risks, their credit lines are collateralized, and many check cashers are third or fourth generation businesses. As for doing business with money transmitters, the reasons given for lack of interest were that such businesses are not as lucrative for banks, they are not easy to monitor, and MSBs typically use other services for money transmission. With respect to financing payday lenders, Messrs. Ward and Keenan indicated their institutions do not finance payday lenders because they had never been approached to do so. Mr. Lynch, however, advised that Banco Popular does finance payday lenders, but only those which follow industry best practices. Each of the panelists indicated their institutions would continue their current level of due diligence even if a safe harbor was established for licensed check cashers, with Messrs. Ward and Keenan explaining that banks must consider credit risk in addition to compliance risk.

Next, Mr. Tufano asked panelists what incentives they thought would create more competition in providing banking services to MSBs; Mr. Grzywinski asked their opinions regarding what recommendations by the Committee would promote economic inclusion; and Committee Chairman Taylor asked why banks are not meeting the needs served by MSBs. In response to Mr. Tufano, Mr. Lynch suggested that competition is restricted by the significant

regulatory penalties to which banks are exposed; the onerous burden of banks having to act as de facto regulators of MSBs; **FinCEN's** definitions of high-risk and lower risk MSBs, which defines all check cashers as high-risk; and the lack of specialized expertise available to banks to monitor MSB accounts. In response to Mr. Grzywinski, panelists' suggestions included more education for bankers and differentiation between the various segments of the MSB industry, with different regulations for each; recognition of the fact that MSBs do provide a valuable service acting as "banks" for their neighborhoods, accompanied by an effort on the part of banks and regulators to work with MSBs; alternative credit reporting for payment of utilities, rent, and insurance; and establishment of interest earning savings vehicles tied to check cashing operations. In answer to Committee Chairman Taylor's question, Mr. Lynch observed that many MSB customers are not comfortable with banks; that for banks that service MSB accounts, it is not a good business model to compete with their customers; and that banks simply do not have the resources to establish branches in all of the communities serviced by MSBs.

Committee Chairman Taylor then announced that the meeting would recess briefly and that, when it reconvened, Sarah A. Kelsey, FDIC General Counsel, would preside at the meeting. Accordingly, at 3:34 p.m., the meeting stood in recess and the following Committee members departed the meeting: Committee Chairman Taylor, Mr. Beck, Ms. **Fuchs**, Mr. Grzywinski, and Ms. Otero.

* * * * *

The meeting was reconvened at 3:47 p.m. that same day at which time Ms. Kelsey led a discussion on possible solutions and incentives to stem bank discontinuance and for bank-based product offerings. Committee members were universally complimentary of the usefulness of the information in the meeting presentations. There was a general consensus on the need, because of different risk profiles and management levers, to better differentiate between various MSBs, rather than continuing to integrate them under one definition, with Ms. Warren suggesting that there be at least three categories of MSBs—remittance businesses, fee-based financial service providers, and payday lenders—and Ms. Kelsey suggesting that **FinCEN**, the FDIC, and other bank regulatory agencies could look at further differentiating the risks associated with the different categories of MSBs. There was also a general consensus on the attractiveness of using existing MSB infrastructure to promote savings programs, with Mr. **Tufano** and Ms. Warren supporting promotion of U.S. Savings Bonds to MSB customers as one savings mechanism.

October 24, 2007

Several committee members remarked that segments of the MSB market appear to be very efficient and that more partnerships should be established with banks to deliver a variety of financial services and products, including financial education, to low income consumers. Among other recommendations were a suggestion by Mr. Orozco that some sort of MSB compliance scorecard be developed to give banks more confidence in deciding to do business with MSBs; a suggestion by Ms. Kelsey that state MSB examinations could add a public component to give banks some information on their level of compliance; a suggestion by **Director** Curry that **there** be some type of certification of the value of MSB registration with the IRS and individual state licensing; and a suggestion by Ms. Warren that the FDIC and others **express support** for any form of third party validation of remittance companies. Finally, Ms. Kelsey and Robert W. Mooney, Senior Advisor to the FDIC Chairman for Consumer Protection, discussed the FDIC exploring with the other bank regulatory agencies the possibility of community development credit under the Community Reinvestment Act ("CRA") for bank relationships with MSBs that provide reasonably-priced services in low income communities, and Mr. Orozco suggested the agencies also explore CRA credit for banks that market savings instruments through MSBs.

Ms. Kelsey closed the meeting by noting that the benefits and profitability of banks, check cashers, and money transmitters working together are enormous and that meetings such as the current one, where: all of the interested parties can meet each other and discuss the issues, constitute the beginning of an important process.

There being no further business, the meeting was adjourned.



Executive Secretary
Federal Deposit Insurance
Corporation
And Committee Management Officer
FDIC Advisory Committee on Economic
Inclusion

October 24, 2007

Minutes

of

The Meeting of the FDIC Advisory Committee on Economic Inclusion

of the

Federal Deposit Insurance Corporation

Held in the Board Room

Federal Deposit Insurance Corporation Building

Washington, D.C.

Open to Public Observation

October 24, 2007 - 8:53 A. M.

I hereby certify that, to the best of my knowledge, the attached minutes are accurate and complete.



Diana L. Taylor

Chairman

FDIC Advisory Committee on Economic Inclusion

Dated: January 4, 2008