



Financial Service Centers: Innovators in Consumer Empowerment

In addition to the wide variety of products offered at Financial Service Centers (FSCs), FiSCA members have proactively pioneered and implemented innovative programs designed to advance the overall financial well being of low-and-moderate income consumers. These programs comprise the FiSCA Consumer Empowerment Program. They include:

❖ *Savings*

FiSCA spearheaded and initiated the National Savings Program, which features a revolutionary mechanism through which consumers can establish an FDIC-insured, savings account linked to the NetSpend All-Access Visa Prepaid Card. **The savings accounts in this one-of-a-kind program require no minimum balance and carry no fees.** Cardholders can easily transfer money back and forth between the debit card and their savings account at no charge. **These savings accounts currently earn interest at a 5% rate**, significantly higher than most banks or credit unions are offering today.

Since its inception, nearly 100,000 FiSCA customers have opened accounts through the Savings Program. In January of 2008, the **Savings Program saw record deposits of \$3.7 million**, reflecting the choice of thousands of customers to **deposit their tax refunds into these high-interest, savings accounts.**

In total, cardholders have deposited approximately **\$66.5 million** into these savings accounts since the beginning of the program. The National Savings Program is available to consumers exclusively through FiSCA-member locations.

❖ *Credit Building*

The need for a credit rating that is recognized by home and auto lenders, insurance companies, employers and others is fundamental. Millions of Americans do not have traditional credit relationships and, therefore, are unable to develop credit files. As a result, they cannot obtain the credit they need at competitive rates. **They are targets for subprime loans for cars and homes despite the fact that these same consumers pay rent, utility and other bills in cash on a monthly basis without fail at neighborhood FSCs.** These payments are not reported to the top three U.S. credit bureaus.

With that in mind FiSCA formed an alliance with PRBC (Payment Reporting Builds Credit), an FCRA-compliant credit bureau **to enable these cash-based consumers – for the first time ever - to build a credit file and score** (sometimes immediately upon sign-up) based on their history of making rent and other recurring bill payments. The PRBC credit score can be used to demonstrate creditworthiness when applying for housing, credit, insurance, and employment. Through the credit scores provided by this collaboration between FiSCA & PRBC, it is anticipated that customers will obtain needed auto, mortgage and other loans at prevailing rates, get better rates on insurance products, and enjoy other benefits not previously available to them. **No other program exists to provide these responsible consumers the access to credit that they deserve.**

❖ *Financial Education*

Current financial education programs do not adequately target the needs of many low- and moderate-income consumers because they teach about products and services these consumers do not use, or which are not accessible to them. They do not appropriately address the day-to-day financial realities and needs of these consumers. In recognizing this fact, FiSCA recently commissioned the development of the first of its kind “audience appropriate” financial education program which better reflects the demonstrated needs, preferences and behaviors of these low- and moderate-income consumers who choose to use FSCs. This relevant program will be accessible to these consumers at times and places of greatest convenience and will address their current financial needs while helping them plan for their future needs, including the transition to banks and/or credit unions when appropriate.