



WORKING TOWARD A BRIGHTER FINANCIAL FUTURE

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Minnesota House Commerce Committee**

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Good morning, Chair Stephenson and members of the committee. My name is Anne Leland Clark, and I am the financial capability + learning director of the nonprofit organization Prepare + Prosper (P+P). I appreciate the opportunity to testify in support of a key provision in House File 1067 to expand access to mainstream banking for financially underserved communities.

According to the most recent 2019 FDIC survey data, there are 65,716 households across Minnesota who are unbanked meaning they are fully disconnected from mainstream banking and can spend between \$1,200 and \$2,400 on fees and interest using nonbank services.

Prepare + Prosper (P+P) is celebrating its 50th year as Minnesota's largest provider of free tax assistance and financial inclusion programs. We have partnered with banks and credit unions for 15 years to expand access to banking at the "money moment" of tax time by opening low-fee, low-barrier checking and savings accounts. Due to the restrictions in Subdivision 3 (b), we have only been able to successfully form partnerships with federally regulated financial institutions. Despite interest and willingness, our state-chartered banks and credit unions could not open accounts for people who have had accounts forcibly closed within the last 12 months.

Banks and credit unions who are willing and interested in designing and offering deposit accounts to meet the needs of financially underserved communities should have the choice to do so. Prepare + Prosper would be excited to expand our partnerships with state-chartered financial institutions.

Mister Chair and members of the committee, thank you again for this opportunity to share testimony in support of allowing state-chartered financial institutions to have a choice in expanding banking options for financially underserved communities across Minnesota.